



Pacific Ethanol, Inc.

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Pacific Ethanol Announces Groundbreaking for 50 Million Gallon Ethanol Plant near Calipatria, CA; Construction of Fifth Facility Expected to Begin Within Weeks

Sacramento, California, March 5, 2007, Pacific Ethanol, Inc. (NASDAQ GM:PEIX), the largest West Coast-based marketer and producer of ethanol, today announced that it has received all the discretionary permits necessary to begin construction of a 50 million gallon per year ethanol facility located adjacent to the city of Calipatria, California. The Company further stated that it expects to begin construction, which should take approximately 12 months, within the next 30 days.

Located in the Imperial Valley of California, the plant site is approximately 150 miles east of San Diego and 100 miles south of Palm Springs. The plant site is also located on an existing rail loop of the American Grain Company and a short drive from Interstate 8. The area's concentration of over 300,000 cattle is sufficient to consume the expected wet distillers grain output of the facility consistent with the Company's strategy of operating in destination markets.

Pacific Ethanol's CEO, Neil Koehler, observed that "the announcement of the groundbreaking of the Imperial Valley plant, the fourth to be wholly-owned and operated by Pacific Ethanol, further positions the Company to attain its stated goal of being a major producer of over 220 million gallons of fuel ethanol a year by the middle of 2008. Our Imperial Valley and Madera plants are located in the heart of largest single market for fuel ethanol in the United States. Industry analysts project that California will consume over 900 million gallons of ethanol in 2007. We



Pacific Ethanol, Inc.

are grateful to our new neighbors in Imperial County and look forward to providing both jobs and ethanol and its co-products in the area for years to come.”

About Pacific Ethanol, Inc.

Pacific Ethanol is the largest West Coast-based marketer and producer of ethanol. Pacific Ethanol has an ethanol plant in Madera, California, two additional plants under construction in Boardman, Oregon and Burley, Idaho, and owns a 42% interest in Front Range Energy, LLC which owns an ethanol plant in Windsor, Colorado. Central to its growth strategy is its destination business model, whereby each respective ethanol plant achieves lower process and transportation costs by servicing local markets for both fuel and feed. In February 2007, Pacific Ethanol obtained a \$325 million credit facility to provide financing for its first five ethanol production facilities. In May 2006, Pacific Ethanol completed an equity funding of \$138 million which provided the Company with sufficient cash to both accelerate its stated goal of completing five ethanol production facilities totaling 220 million gallons of capacity per year by the middle of 2008 and its plans to complete additional ethanol production facilities, increasing total capacity to 420 million gallons per year by the end of 2010. In addition, Pacific Ethanol is working to identify and develop other renewable fuel technologies, such as cellulose-based ethanol production and bio-diesel.

Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

With the exception of historical information, the matters discussed in this press release including, without limitation, Pacific Ethanol’s belief that it will complete construction of the ethanol plant in Calipatria within the next 12 months, Pacific Ethanol’s belief that the area’s concentration of cattle is sufficient to consume the expected wet distillers grain output from the plant to be located in Calipatria, Pacific Ethanol’s expectations that it will commence construction on another facility within weeks and that Pacific Ethanol will have in excess of 220 million gallons of annual production capacity by mid-2008, are forward-looking statements that involve a number of risks and uncertainties. The actual future results of Pacific Ethanol could differ from those



Pacific Ethanol, Inc.

statements. Factors that could cause or contribute to such differences include, but are not limited to, the ability of Pacific Ethanol to conform to the funding and other requirements of its recently completing debt financing; the ability of Pacific Ethanol to successfully and timely complete construction of its ethanol plants in Boardman, Oregon, Burley, Idaho and Calipatria, California, the ability of Pacific Ethanol to timely complete, in a cost effective manner, its ethanol plant build-out program and to successfully capitalize on its internal growth initiatives; the ability of Pacific Ethanol to operate its plants at their planned production capacities; the price of ethanol relative to the price of gasoline; and those factors contained in the “Risk Factors” section of Pacific Ethanol’s Form 10-Q filed with the Securities and Exchange Commission on November 20, 2006.

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