



Pacific Ethanol, Inc.

FOR IMMEDIATE RELEASE

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**PACIFIC ETHANOL
RESUMES PRODUCTION AT MAGIC VALLEY FACILITY**

Sacramento, CA, January 6, 2010 – Pacific Ethanol, Inc. (NASDAQ GM: PEIX), (the “Company”), announced today that it has resumed production at its 60 million gallon per year Magic Valley facility located in Burley, Idaho. In February 2009, the Company suspended production at the Magic Valley facility due to extended unfavorable market conditions. In May 2009, the Company’s subsidiaries which own its four ethanol production facilities, including the Magic Valley plant, filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code in the District of Delaware in an effort to restructure their indebtedness. In December 2009, the Company obtained necessary court and lender approvals to resume operations at the Magic Valley facility. The facility has completed all necessary safety and startup activities and is now producing and selling ethanol and feed products.

“We are pleased to restart our Magic Valley facility and we are grateful for the cooperation our lenders and other stakeholders have extended,” said Neil Koehler, the Company’s Chief Executive Officer, “the restart of the facility has also been well received by the local community.”

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 are forward-looking statements that involve a number of risks and uncertainties. The actual future results of Pacific Ethanol could differ from those statements. Factors that could cause or contribute to such differences include, but are not limited to, sustained improvement in market conditions for producing ethanol; and the factors contained in the “Risk Factors” section of Pacific Ethanol’s Form 10-K filed with the Securities and Exchange Commission on March 31, 2009 and the “Risk Factors” section of Pacific Ethanol’s Form 10-Q filed with the Securities and Exchange Commission on November 9, 2009.

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