



Pacific Ethanol, Inc.

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PACIFIC ETHANOL, INC. CLOSES ON PREVIOUSLY ANNOUNCED INCREASE IN PLANT OWNERSHIP AND \$8.0 MILLION FINANCING

Sacramento, CA, December 20, 2011 – Pacific Ethanol, Inc. (NASDAQ: PEIX), the leading marketer and producer of low-carbon renewable fuels in the Western United States, has closed two transactions announced on December 9, 2011. The company closed its \$4.6 million purchase of an additional 7% ownership interest in New PE Holdco LLC, increasing its total ownership interest to 34%. New PE Holdco LLC owns, and the company operates, the four Pacific Ethanol production facilities. In addition, the company closed an \$8.0 million private placement of 7,625,000 shares of common stock and warrants to purchase up to 4,956,250 shares of common stock.

Lazard Capital Markets LLC acted as the exclusive placement agent for Pacific Ethanol in the private placement.

About Pacific Ethanol, Inc.

Pacific Ethanol, Inc. (NASDAQ: PEIX) is the leading marketer and producer of low-carbon renewable fuels in the Western United States. Pacific Ethanol also sells co-products, including wet distillers grain (WDG), a nutritional animal feed. Serving integrated oil companies and gasoline marketers who blend ethanol into gasoline, Pacific Ethanol provides transportation, storage and delivery of ethanol through third-party service providers in the Western United States, primarily in California, Nevada, Arizona, Oregon, Colorado, Idaho and Washington. Pacific Ethanol has a 34% ownership interest in New PE Holdco LLC, the owner of four ethanol production facilities. Pacific Ethanol operates and manages the four ethanol production facilities, which have a combined annual production capacity of 200 million gallons. The facilities in operation are located in Boardman, Oregon, Burley, Idaho and Stockton, California, and one



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idled facility is located in Madera, California. The facilities are near their respective fuel and feed customers, offering significant timing, transportation cost and logistical advantages. Pacific Ethanol's subsidiary, Kinergy Marketing LLC, markets ethanol from Pacific Ethanol's managed plants and from other third-party production facilities, and another subsidiary, Pacific Ag. Products, LLC, markets WDG. For more information please visit www.pacificethanol.net.

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