



Pacific Ethanol, Inc.

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PACIFIC ETHANOL, INC. EXTENDS ETHANOL MARKETING AGREEMENT WITH AE KEYES

Sacramento, CA, September 8, 2011 – Pacific Ethanol, Inc. (NASDAQ: PEIX), the leading marketer and producer of low-carbon renewable fuels in the Western United States, announced that its subsidiary, Kinergy Marketing LLC, has entered into a two-year extension of its exclusive ethanol marketing arrangement with AE Advanced Fuels Keyes, Inc. (“AE Keyes”). AE Keyes is a wholly-owned subsidiary of AE Biofuels, Inc.

Neil Koehler, the company’s president and CEO, stated, “Kinergy delivers outstanding service and value to its customers and marketing partners. The extension of our marketing agreement with AE Keyes validates Kinergy’s unique network for distribution of low-carbon renewable fuels in the Western United States. This is of particular relevance to refiners and fuel distributors in implementing effective solutions to comply with California’s Low Carbon Fuel Standard.”

Andy Foster, president and COO of AE Keyes said, “AE Keyes and Pacific Ethanol have a strong history of working together in support of the production of ethanol in California and the development of advanced biofuels. We are pleased to extend this marketing agreement with Kinergy and look forward to continued collaboration with the company”



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As previously announced, on November 11, 2010, Kinergy entered into an exclusive ethanol marketing arrangement with AE Keyes to sell all the ethanol produced by its 55 million gallon per year ethanol production facility located in Keyes, California. The AE Keyes facility became operational in the second quarter of 2011, and on September 7, 2011, Kinergy and AE Keyes signed an amendment to the marketing agreement which extended the term through August 31, 2013.

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 20% 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 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.

About AE Biofuels, Inc.

AE Biofuels, Inc. is a global advanced biofuels company based in Cupertino, California developing sustainable solutions to address the world's renewable chemicals and advanced fuels needs. The company operates a 55 million gallon ethanol plant in Keyes, California and is working to commercialize its patent-pending next-generation cellulosic ethanol technology that enables the production of advanced biofuels from both non-food and traditional feedstocks. The company's wholly owned Universal Biofuels subsidiary built and operates a nameplate 50 million gallon per year biodiesel production facility on the east coast of India. For additional information about AE Biofuels, please visit www.aebiofuels.com.

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, the ability of Pacific Ethanol to continue as the leading marketer and producer of low-carbon renewable fuels in the Western United States are forward-looking statements and



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considerations that involve a number of risks and uncertainties. The actual future results of Pacific Ethanol could differ from those statements. Pacific Ethanol refers you to the “Risk Factors” section contained in its most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2011 and in its most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on August 11, 2011.

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