



Pacific Ethanol, Inc.

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PACIFIC ETHANOL, INC. PROVIDES UPDATE ON ITS SENIOR CONVERTIBLE NOTES

Sacramento, CA, November 2, 2011 – Pacific Ethanol, Inc. (NASDAQ: PEIX), the leading marketer and producer of low-carbon renewable fuels in the Western United States, provided an update on its senior convertible notes.

The aggregate unpaid principal balance of the notes, originally \$35.0 million as of October 6, 2010, has declined to \$820,000 as of November 1, 2011. The principal balance was \$8.4 million as of October 3, 2011, the date of the Company's last update. To date, a total of \$33.0 million in principal has been converted into 58.4 million common shares, at an average conversion price of \$0.56 per share.

“We are pleased to report that we have retired nearly all the convertible debt six months ahead of schedule,” said the company's president and CEO, Neil Koehler, “The proceeds raised under these notes allowed us to secure our ownership interest in the Pacific Ethanol plants and significantly improve our cash position. Through retiring the convertible notes and reporting positive financial results for the third quarter, we are building shareholder value and positioning the company for continued growth and profitability.”

As previously announced, Pacific Ethanol elected to make its November 1, 2011 installment payment in cash. As a result of voluntary conversions by certain note holders, the November payment was reduced to less than \$10,000. In addition, on November 1, 2011, Pacific Ethanol



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elected to pay its December 1, 2011 installment, also in an amount less than \$10,000, in cash. Further, the company intends to pay any remaining amounts, subject to voluntary conversions by the note holders, in cash. As of November 1, 2011, Pacific Ethanol had approximately 75.6 million common shares outstanding.

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.

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 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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