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Pacific Ethanol, Inc.

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## **PACIFIC ETHANOL INCREASES OWNERSHIP IN PLANTS**

**Sacramento, CA, December 1, 2011 – Pacific Ethanol, Inc. (NASDAQ: PEIX)**, the leading marketer and producer of low-carbon renewable fuels in the Western United States, purchased an additional 7% ownership interest in New PE Holdco LLC, the owner of the four Pacific Ethanol production facilities with a combined annual production capacity of 200 million gallons. The company paid \$4.5 million in cash for the additional interest. This purchase brings the company’s total ownership interest to 27%. On October 6, 2010, the company paid \$23.3 million in cash for its initial 20% ownership interest.

“We are excited to increase our ownership interest at an attractive valuation. At current margins, this transaction is immediately accretive to shareholders, and is priced at a discount to both market valuations and our initial 20% purchase,” said the company’s president and CEO, Neil Koehler. “Ethanol continues to grow as a cost effective and low-carbon component of transportation fuel and we intend to seek additional ownership opportunities in these and other production facilities on favorable terms to further enhance shareholder value.”

### **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 27% ownership interest in New PE Holdco LLC, the owner of four ethanol production facilities. Pacific Ethanol operates and manages the four ethanol production facilities,



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**Pacific Ethanol, Inc.**

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](http://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 November 4, 2011.

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