



Pacific Ethanol, Inc.

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PACIFIC ETHANOL, INC. APPLAUDS E15 LABEL APPROVAL AND WELCOMES MARKET IMPROVEMENTS

- ***EPA Ruling for E15 Label Opens New Markets for Ethanol***
- ***USDA June 30th Grain Report Exceeds Market Expectations***

Sacramento, CA, July 5, 2011 – Pacific Ethanol, Inc. (NASDAQ: PEIXD), the leading marketer and producer of low-carbon renewable fuels in the Western United States, commented on positive industry progress regarding distribution channels and corn supply.

On June 28, 2011, the U.S. Environmental Protection Agency (EPA) approved the improved label for fuel dispensers that carry ethanol blends of up to 15% (E15). With the labeling issue resolved, gas stations are closer to selling E15 for cars built in 2001 and later, which represents approximately two-thirds of vehicles on the road.

On June 30, 2011, the U.S. Department of Agriculture (USDA) reported that American farmers planted 92.3 million acres of corn this spring. Based upon USDA’s latest projections of average corn yield (158.7 bushels/acre) and harvested acres (84.9 million), this indicates a 2011 harvest of 13.5 billion bushels – nearly 300 million more bushels of corn than USDA had projected in its most recent supply/demand estimates.

Neil Koehler, PEI’s president and CEO, stated, “America’s farmers have once again demonstrated the ability to meet the demand to provide food, feed, fuel and fiber to the world markets. We expect the greater than anticipated corn supply will reduce our cost of production



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and sustain favorable market conditions for ethanol production. In addition, the EPA approval is a significant market indicator that E15 will be sold in the U.S. this year and the American consumer will have more choice of fuel options at the gas pump. Pacific Ethanol is well poised to drive company growth from both of these events.”

About Pacific Ethanol, Inc.

Pacific Ethanol, Inc. (NASDAQ: PEIXD) 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; whether, to what extent and when gas stations will sell E15 fuel; the actual size of 2011’s corn harvest and the related effects on the price of corn, Pacific Ethanol’s costs of production and favorable market conditions for ethanol production; and expected growth in the demand for ethanol 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 May 13, 2011.

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