



Pacific Ethanol, Inc.

FOR IMMEDIATE RELEASE

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**PACIFIC ETHANOL ANNOUNCES APPOINTMENT OF
DANIEL A. SANDERS OF FRONT RANGE ENERGY TO BOARD OF DIRECTORS**

REPLACES FRANK P. GREINKE

October 23, 2006, – Fresno, CA – Pacific Ethanol, Inc. (NASDAQ:PEIX) today announced the appointment of Front Range Energy's majority owner and co-founder, Daniel A. Sanders, to its board of directors. He will replace long time director Frank Greinke who is stepping down. Mr. Greinke served as a Director of Pacific Ethanol California since 2003, and since its formation in 2005, as a director of Pacific Ethanol, Inc..

Bill Jones, Chairman of the Board, said, "On behalf of the board, we want to thank Frank Greinke for all his crucial support through the early stages of our company's development and we wish him well in his future endeavors. Meanwhile, we are delighted to welcome Dan Sanders. His experience in both the agricultural and ethanol industries in our new Colorado markets will prove invaluable as we continue to work to make Pacific Ethanol a leading producer and marketer of ethanol in the Western US."

Dan Sanders noted, "I am excited at the prospect of working with the board and the management team of this innovative and rapidly growing company."

Mr. Sanders comes to Pacific Ethanol with over two decades of senior management and operating experience. He is the majority owner and co-founder of Front Range Energy (founded in July of 2004) which owns an ethanol plant in Windsor CO with nameplate annual capacity of 40 million gallons. He served as a board member of Twin City Bank in Longview, Washington, from 1998-2005.

About Pacific Ethanol, Inc.

Pacific Ethanol has an ethanol plant in Madera County, California which has recently been completed and is undergoing startup, a second plant under construction in Boardman, Oregon and owns a 42% interest in Front Range Energy, LLC which owns an ethanol plant in Windsor, CO with nameplate annual capacity of 40 million gallons. Pacific Ethanol's goal is to become the leading producer and marketer of renewable fuels in the western US. Central to its growth strategy is its destination business model, whereby each respective ethanol plant achieves lower process and transportation costs by servicing local markets for both fuel and feed. In May 2006, Pacific Ethanol completed an equity funding of \$138 million which provided the Company with



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sufficient cash to both accelerate its stated goal of completing five ethanol production facilities totaling 220 million gallons of capacity per year by the middle of 2008 and its plans to complete additional ethanol production facilities, increasing total capacity to 420 million gallons per year by the end of 2010. Pacific Ethanol, through its wholly-owned subsidiary, Kinergy Marketing, LLC, is the largest West Coast-based marketer of ethanol. In addition, Pacific Ethanol is working to identify and develop other renewable fuel technologies such as cellulose-based ethanol production and bio-diesel.

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 are forward-looking statements that involve a number of risks and uncertainties. The actual future results of Pacific Ethanol could differ from those statements. Factors that could cause or contribute to such differences include, but are not limited to, the ability of Pacific Ethanol to successfully capitalize on its internal growth initiatives; the price of ethanol relative to the price of gasoline; and those factors contained in the “Risk Factors” section of Pacific Ethanol’s Form 10-Q filed with the Securities and Exchange Commission on August 18, 2006.