



Pacific Ethanol, Inc.

FOR IMMEDIATE RELEASE

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PACIFIC ETHANOL COMPLETES CONSTRUCTION OF FIRST PLANT

Madera Plant to Add Ethanol and Distillers Grain Sales to Existing Marketing Revenue

October 9, 2006, – Fresno, CA – Pacific Ethanol, Inc. (NASDAQ:PEIX) today announced the completion of its first ethanol production facility in Madera, California. A ribbon cutting ceremony to take place on October 16th. The plant will commence the start up process the next day, and is expected to be operating at its nameplate capacity of 35 million gallons per year by mid November, 2006.

“This is a significant milestone for Pacific Ethanol. The startup of the Madera Plant will contribute ethanol production revenues during the 4th quarter of this year, ahead of our internal target date,” observed Neil Koehler, CEO of Pacific Ethanol, Inc. “We anticipate it will take roughly thirty days to bring the plant up to full capacity, and that from mid-November forward the plant will be producing ethanol at or above our designed level of 35 million gallons per year. Our second plant in Boardman, Oregon remains on schedule for completion by the end of the second quarter of 2007.”

Koehler concluded by noting, “We remain on schedule to develop 220 million gallons of production capacity by the middle of 2008 and 420 million gallons by the end of 2010.”

Chairman Bill Jones thanked all who contributed to the completion. “On behalf of the board and stockholders of Pacific Ethanol, I would like to express my sincere gratitude to the County of Madera, W.M. Lyles Co., Delta-T Corporation, and the Local Building Trades for getting this job completed in a professional and efficient manner. Their collective efforts assured our success.

About Pacific Ethanol, Inc.

Pacific Ethanol has two ethanol plants currently under construction, one in Madera County, CA and one in Boardman, OR and recently completed equity funding of \$138 million to provide the Company with sufficient cash to both accelerate its stated goal of completing five ethanol production facilities totaling 220 million gallons per year by mid year 2008 and its plans to complete additional ethanol production facilities, increasing total nameplate capacity to 420



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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 S-3 filed with the Securities and Exchange Commission on June 23, 2006.

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