



Pacific Ethanol, Inc.

FOR IMMEDIATE RELEASE

CONTACTS

INVESTORS:

William G. Langley
Chief Financial Officer
PACIFIC ETHANOL, INC.
(559) 435-1771

MEDIA:

Rory Mackin
Hill & Knowlton
212-885-0455
rmackin@hillandknowlton.com

**Pacific Ethanol, Inc. Completes \$84 Million Equity Investment by
Cascade Investment, L.L.C. and \$34 Million Debt Financing by
Hudson United Bank and Comerica Bank, And Files 10-KSB**

Fresno, California, April 17, 2005, **Pacific Ethanol, Inc. (Nasdaq: PEIX)** announced today that it has completed the offering and sale of 5,250,000 shares of Series A Cumulative Redeemable Convertible Preferred Stock for \$84 million to Cascade Investment, L.L.C. The shares of preferred stock are convertible into shares of common stock at an initial conversion ratio of two shares of common stock for each share of preferred stock which, if converted immediately, would result in the issuance of 10,500,000 shares of common stock. Pacific Ethanol also announced today that it has completed a debt financing for up to a total of approximately \$34 million with Hudson United Bank, a division of TD BankNorth, and Comerica Bank.

A portion of the proceeds from the preferred stock offering and all of the proceeds from the debt financing will be used to complete construction of Pacific Ethanol's ethanol production plant in Madera County, California. This plant is currently under construction and is scheduled to be completed and begin operations in the fourth quarter of 2006. The remaining portion of the proceeds from the preferred stock offering will be used to pay a portion of the costs of construction of other ethanol plants on the West Coast. Pacific

530.750.3017
5711 N. WEST AVENUE
FRESNO, CALIFORNIA 93711
www.pacificethanol.net



Pacific Ethanol, Inc.

Ethanol has announced plans to construct and operate five ethanol plants in the Western United States by the end of 2008 with an expected combined installed annual ethanol capacity of at least 200 million gallons.

“Closing these debt and equity financings solidifies our near term growth strategy of building five ethanol plants on the West Coast,” said Neil Koehler, Pacific Ethanol’s CEO. “We are honored to partner with a strong strategic investor like Cascade Investment and established lenders like Hudson United Bank and Comerica Bank,” added Koehler.

Pacific Ethanol also announced today that it has filed its Form 10-KSB for the year ended December 31, 2005. A copy of the Form 10-KSB may be found on the Securities and Exchange Commission’s website at www.sec.gov and on the Company’s website at www.pacificethanol.net.

About Pacific Ethanol, Inc.

The primary goal of Pacific Ethanol, Inc. is to become the leader in the development, production and marketing of renewable fuels in the Western United States. Established in 2003, Pacific Ethanol is constructing its first large scale ethanol production facility in Madera County, California, and is developing four additional plants on the West Coast. Kinergy Marketing, LLC, a wholly owned subsidiary of Pacific Ethanol, 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

530.750.3017
5711 N. WEST AVENUE
FRESNO, CALIFORNIA 93711
www.pacificethanol.net



Pacific Ethanol, Inc.

or contribute to such differences include, but are not limited to, the ability of Pacific Ethanol to successfully complete construction of its ethanol plant in Madera County, California; 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-KSB for the year ended December 31, 2005 filed with the Securities and Exchange Commission.

####