



Pacific Ethanol, Inc.

FOR IMMEDIATE RELEASE

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**Pacific Ethanol, Inc. Announces Debt Commitment
For Madera Ethanol Plant Construction**

Fresno, California, January 31, 2006, **Pacific Ethanol, Inc. (Nasdaq: PEIX)** announced today that it has received commitment letters from Hudson United Bank and Comerica Bank for up to a total of \$34 million of debt financing to be used for the construction of its ethanol production plant in Madera County, California. This plant is under construction and is scheduled to be completed and begin operations in the fourth quarter of 2006.

Bill Jones, Chairman of the Board of Pacific Ethanol, stated, “These commitments represent the latest significant step in implementing our primary business plan to build ethanol plants near the fuel and feed markets that they will serve. Obtaining these commitments has been a thorough process that we believe will help build value for our stockholders.”

Neil Koehler, CEO of Pacific Ethanol, added, “We are proud to have Hudson United Bank and Comerica Bank as new financial partners as we continue to build our renewable fuels production business.”

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The closing of the debt financing is subject to, among other things, the negotiation of final documentation and the absence of a material adverse change in either the financial condition of the Company or the construction of the ethanol production plant. The Company will not be able to draw down on any portion of the debt until such time as it has obtained at least \$22 million in equity capital. The Company anticipates using a portion of the \$84 million in equity capital expected to be provided by Cascade Investment, L.L.C. to satisfy this condition.

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 or contribute to such differences include, but are not limited to, the ability of Pacific Ethanol to successfully complete its debt financing with Hudson United Bank and Comerica Bank; the ability of Pacific Ethanol to successfully complete its financing with Cascade Investment, L.L.C. and, assuming all such debt and equity funding is obtained, the ability of Pacific Ethanol to successfully complete construction of the ethanol plant in Madera County,

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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-QSB for the quarterly period ended September 30, 2005 and its Form S-1/A No. 3 filed with the Securities and Exchange Commission on November 30, 2005.

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