



Pacific Ethanol, Inc.

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California Governor Tours Pacific Ethanol Plant

Reiterates Commitment to Greater Biofuels Production

FRESNO, CA July 13, 2006 -- Pacific Ethanol, Inc. (Nasdaq: PEIX), today hosted California Governor Arnold Schwarzenegger, who toured the Company's Madera County, California, property where its first ethanol production facility is nearing completion.

The plant, which is slated to begin production in the fourth quarter of this year, is expected to produce over 35 million gallons of ethanol per year, helping to meet growing demand for the fuel in California. Last year, demand for ethanol in California accounted for nearly a quarter of the nation's four billion gallons of ethanol production.

Governor Schwarzenegger recently issued Executive Order S-06-06 establishing targets for the use and production of biomass products. The executive order called for California to produce a minimum of 20% of its own biofuels by 2010 and 40% by 2020. Of the estimated 900 million gallons of ethanol consumed annually in California, only 5% is currently produced in California.

Chairman Bill Jones, former California Secretary of State, gave Governor Schwarzenegger a tour of the facilities, during which the Governor reiterated the need for California to produce a greater share of its own biofuels. Mr. Jones noted that, "This facility is the largest new fuel refinery built in California in a generation. It is a significant milestone both for Pacific Ethanol and for the people of California."

CEO Neil Koehler added, "We applaud Governor Schwarzenegger's leadership in taking active steps to encourage a growing California renewable fuels industry that promises significant job growth, increased fuel supply and decreased CO² emission for the State."

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About Pacific Ethanol, Inc.

The primary goal of Pacific Ethanol, Inc. is to become a leader in the production, marketing and sale of ethanol and other 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 ethanol production facilities 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 timing of completion of Pacific Ethanol's first ethanol production facility in Madera County, California and the annual ethanol production level of that facility; the ability of Pacific Ethanol to obtain all necessary financing to complete construction of its other planned ethanol production facilities and, assuming all such funding is obtained, the ability of Pacific Ethanol to successfully and timely complete construction of those facilities; the ability of Pacific Ethanol to successfully capitalize on its internal growth initiatives; the price of ethanol relative to the price of gasoline and the expansion of demand for ethanol in the coming years; and those factors contained in the "Risk Factors" section of Pacific Ethanol's Registration Statement on Form S-3 filed with the Securities and Exchange Commission on June 23, 2006.

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