



Pacific Ethanol, Inc.

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**Pacific Ethanol Announces Groundbreaking for
50 Million Gallon Ethanol Plant in Stockton, CA;
Construction on Fourth Facility Expected to Begin in Thirty Days**

Sacramento, California, March 14, 2007, Pacific Ethanol, Inc. (NASDAQ GM:PEIX), the largest West Coast-based marketer and producer of ethanol, today announced that it will soon begin construction on a 50 million gallon per year ethanol facility at the Port of Stockton, California, dramatically increasing ethanol production capacity in the state. The Company has secured a 50-year lease on a 30-acre site at the port. The Company further stated that it expects to begin construction, which should take approximately 14 months, within the next thirty days.

Located on the Stockton Deepwater Ship Channel, 75 nautical miles due east of the Golden Gate Bridge, the Port of Stockton, California, owns and operates a diversified and major transportation center that encompasses a 2,000-acre operating area. The Port is one mile from Interstate 5, and all interconnecting major highway systems. Rail service is provided by two transcontinental railroads, Union Pacific and the Burlington Northern Santa Fe. Locating at the Port will give added options and flexibility to the company for both incoming raw materials as well as outgoing products. Stockton is located in the northern part of the San Joaquin Valley. The San Joaquin Valley is home to over one million dairy cows providing a ready market to the wet distiller grains produced by the plant consistent with the company's strategy of operating in destination markets.



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CEO Neil Koehler observed that “The Stockton plant will be our third in the State of California. With demand at nearly one billion gallons last year, California is the largest single market for ethanol in the US. This plant’s strategic access to water, rail and road transport should give us affordable access to most markets in California and beyond. The Stockton plant remains true to our destination model, with its location in the San Joaquin Valley of California and proximity to its population of over one million head of dairy cattle.”

Stockton, Port Director Richard Aschieris announced, “The Port of Stockton is very pleased to welcome Pacific Ethanol to the Port’s growing family of tenants. In our efforts to be a leader in environmental stewardship in the San Joaquin Valley, we look for opportunities to provide facilities to businesses that will improve air quality in the region. This project represents a significant investment by Pacific Ethanol and further advances our goal to create local family-wage jobs.”

About Pacific Ethanol, Inc.

Pacific Ethanol is the largest West Coast-based marketer and producer of ethanol. Pacific Ethanol has an ethanol plant in Madera, California, two additional plants under construction in Boardman, Oregon, and Burley, Idaho, a third plant soon to be under construction in the Imperial Valley near Calipatria, California, and owns a 42% interest in Front Range Energy, LLC which owns an ethanol plant in Windsor, Colorado. 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 February 2007, Pacific Ethanol obtained a \$325 million credit facility to provide financing for its first five ethanol production facilities. In May 2006, Pacific Ethanol completed an equity funding of \$138 million which provided the Company with 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. In addition, Pacific Ethanol is working to



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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 including, without limitation, Pacific Ethanol's belief that it will complete construction of the ethanol plant in Stockton within the next 14 months, Pacific Ethanol's belief that the area's concentration of cattle is sufficient to consume the expected wet distillers grain output from the plant to be located in Stockton and that the plant's location will provide affordable access to fuel markets in California, and that Pacific Ethanol will have in excess of 220 million gallons of annual production capacity by mid-2008, 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 conform to the funding and other requirements of its recently completing debt financing; the ability of Pacific Ethanol to successfully and timely complete construction of its ethanol plants in Boardman, Oregon, Burley, Idaho, Calipatria and Stockton, California, the ability of Pacific Ethanol to timely complete, in a cost effective manner, its ethanol plant build-out program and to successfully capitalize on its internal growth initiatives; the ability of Pacific Ethanol to operate its plants at their planned production capacities; 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-K filed with the Securities and Exchange Commission on March 12, 2007.

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