



Pacific Ethanol, Inc.

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**PACIFIC ETHANOL, INC. PLANS TO RESTART STOCKTON,
CALIFORNIA ETHANOL PRODUCTION FACILITY WITHIN 60 DAYS**

Sacramento, CA, October 18, 2010 – Pacific Ethanol, Inc. (PEI, NASDAQ CM: PEIX), the leading West Coast marketer and producer of low-carbon renewable fuels, announced plans to resume operations at the 60 million gallon per year facility in Stockton, California. PEI expects to be producing ethanol at Stockton in December 2010.

On October 8th, the approval of the California State Budget for 2010 through 2011 provided funding for the California Ethanol Producer Incentive Program, or CEPIP, for which the Stockton and Madera facilities are eligible. CEPIP is designed to provide payments to eligible operating California ethanol producers under specific, unfavorable ethanol corn-crush margin conditions. In addition, on October 13th, the U.S. Environmental Protection Agency granted a waiver for E15 fuel to be used in 2007 and newer light-duty motor vehicles. E15 is a blend of 15% ethanol and 85% gasoline. Fuel blends to this point have been limited to 10% ethanol.

“Resuming production at the Stockton facility allows us to help meet the growing demand for high-value California-produced ethanol,” stated Neil Koehler, PEI’s president and CEO. “As market conditions continue to improve, we also aim to resume operations at the 40 million gallon per year facility in Madera, California.”

About Pacific Ethanol, Inc.

Pacific Ethanol, Inc. (NASDAQ CM: PEIX) is the leading West Coast marketer and producer of low-carbon renewable fuels. Pacific Ethanol also sells co-products, including wet distillers grain, or WDG, which is a highly valuable nutritional animal feed. Serving integrated oil companies and gasoline marketers who blend ethanol into gasoline, Pacific Ethanol provides transportation, storage and delivery of ethanol through third-party service providers in the Western United States, primarily in California, Nevada, Arizona, Oregon, Colorado, Idaho and Washington. The four ethanol production facilities owned



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by New PE Holdco, LLC and managed by Pacific Ethanol are located near their ethanol and by-product customers, offering significant timing, transportation cost and logistical advantages. Pacific Ethanol also owns 20% of the four production facilities which, upon the restart of the Stockton facility, consists of three operating plants in Oregon, Idaho and California and one idled facility in California. Pacific Ethanol's subsidiary, Kinergy Marketing LLC, markets ethanol from Pacific Ethanol's managed plants and from other third-party production facilities, and another subsidiary, Pacific Ag. Products, LLC, markets WDG. For more information please visit www.pacificethanol.net.

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: the intention of Pacific Ethanol to resume operations at the Stockton, California ethanol production facility within 60 days; the growing demand for ethanol produced in California; the intention to resume operations at the Madera, California ethanol production facility and the future funding of the CEPIP by the California legislature are forward-looking statements and considerations 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 resume production at the Stockton, California plant, which is at the discretion of the board of directors of New PE Holdco; the ability of Pacific Ethanol to successfully staff, manage and operate any of its managed ethanol production facilities, including the Stockton, California and Madera, California production facilities; the sustained improvement in market conditions for the production of ethanol; the ability of the California legislation to fund the CEPIP; the possibility that the California Energy Commission may alter the CEPIP thresholds, participant eligibility or other policy choices that may impact the ability of Pacific Ethanol's managed plants located in California to be eligible for the CEPIP; the ability of Pacific Ethanol to grow its business, generate revenue and earnings growth and demonstrate the benefits of Pacific Ethanol's destination business model; and the ability of Pacific Ethanol to realize appreciation on its investment in New PE Holdco; and those factors set forth in the "Risk Factors" section contained in Pacific Ethanol's most recent Form 10-Q filed with the Securities and Exchange Commission on August 16, 2010, and its Form 10-K filed with the Securities and Exchange Commission on March 31, 2010.

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