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Pacific Ethanol, Inc.

**FOR IMMEDIATE RELEASE**

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**PACIFIC ETHANOL ANNOUNCES COMMITMENT FOR  
\$325 MILLION SENIOR SECURED CONSTRUCTION, TERM  
AND WORKING CAPITAL CREDIT FACILITY**

**Deal Co-Led by WestLB and Mizuho to Finance Construction  
and Operation of Five Ethanol Plants**

**Fresno, California, January 11, 2007 -- Pacific Ethanol, Inc. (Nasdaq GM: PEIX)**, today announced that it has signed a commitment letter providing for up to \$325 million of senior secured credit. The loan facility will include up to \$300 million in a senior secured construction and term debt facility, which will be used to recapitalize the Company's Madera California ethanol plant, to provide take-out financing on the completion of the Company's Boardman Oregon ethanol plant, and to provide both construction and term financing for three additional ethanol plants that the Company has under development. In addition, the loan will include a working capital and letter of credit facility of up to \$25 million.

The commitment letter represents a fully-underwritten commitment from WestLB AG, New York Branch, the joint lead arranger, sole book manager and administrative agent, and Mizuho Corporate Bank, Ltd., the joint lead arranger and syndication agent. The closing of

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the loan facility, which is subject to final documentation and a number of contingencies, is expected to occur in the first quarter of 2007.

CEO Neil Koehler observed that, “This facility will give Pacific Ethanol full financing to exceed the first phase of our growth plan, which has been to attain annual production capacity of 220 million gallons per year by the middle of 2008. We will break ground on the next three plants by the end of the first quarter of 2007. We continue to execute well on our business plan to be the leading producer of ethanol in the Western United States and are proud to be partnering with WestLB and Mizuho in the exciting growth of our company.”

**About Pacific Ethanol, Inc.**

Pacific Ethanol owns and operates an ethanol plant in Madera County, California, is constructing a second plant in Boardman, Oregon and owns a 42% interest in Front Range Energy, LLC, which owns and operates an ethanol plant in Windsor, Colorado. Pacific Ethanol's goal is to become the leading marketer and producer of renewable fuels in the Western United States. In May 2006, Pacific Ethanol completed an equity funding of \$138 million which provided the Company with sufficient cash to 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. Pacific Ethanol, through its wholly-owned subsidiary, Kinergy Marketing, LLC, 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.



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### **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 WestLB AG and Mizuho Corporate Bank, Ltd., the ability of Pacific Ethanol to successfully and timely complete construction of its ethanol plant in Boardman, Oregon; the ability of Pacific Ethanol to accelerate, maintain and timely complete its plant build-out program for additional ethanol plants and to successfully capitalize on its internal growth initiatives; the ability of Pacific Ethanol to obtain all necessary financing to complete the construction of its planned ethanol production facilities; the ability of Pacific Ethanol to operate its plants at their planned production capacity; 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-Q filed with the Securities and Exchange Commission on November 20, 2006.

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