



Pacific Ethanol, Inc.

NASDAQ: PEIX

Second Quarter 2011 Financial Results Presentation

July 28, 2011



Pacific Ethanol, Inc.

Cautionary Statements

With the exception of historical information, the matters discussed in this presentation including, without limitation, the ability of Pacific Ethanol to maintain and expand its position as the leading marketer and producer of low-carbon renewable fuels in the Western United States; the ability of Pacific Ethanol to expand its asset management business and thereby enhance its value and generate additional revenue; expectations concerning future growth, market share, margins, operational efficiencies, profitability, cash flows and other financial or business metrics; the relative benefits of Pacific Ethanol's destination business model and logistical advantages related to the supply of corn; whether and to what extent E15 will be sold in US markets; the effectiveness of hedging strategies; the expected premium and demand for low-carbon ethanol; and the ability of Pacific Ethanol to resume production at the idle California plant, which is at the discretion of the third party plant owner 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. Pacific Ethanol refers you to the "Risk Factors" section contained in its most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 31, 2011 and in its most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 13, 2011.

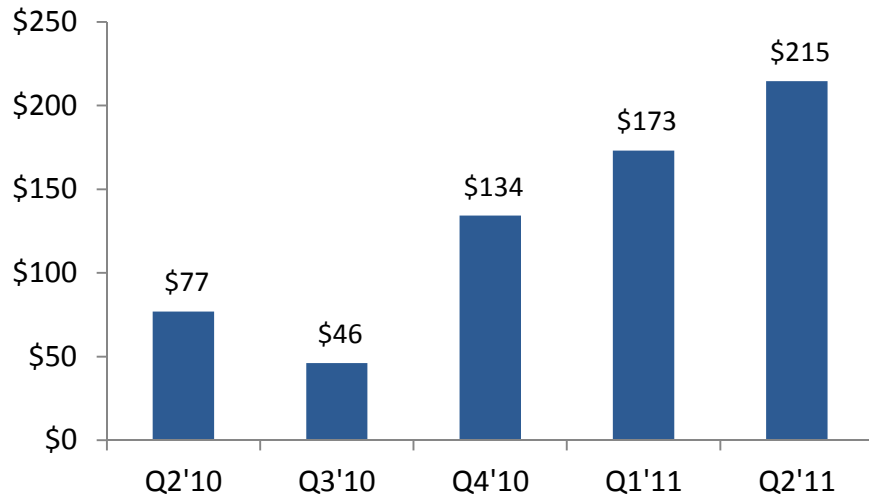


Second Quarter 2011 Highlights

Q2'11 Net Sales = Company Record for Quarterly Net Sales

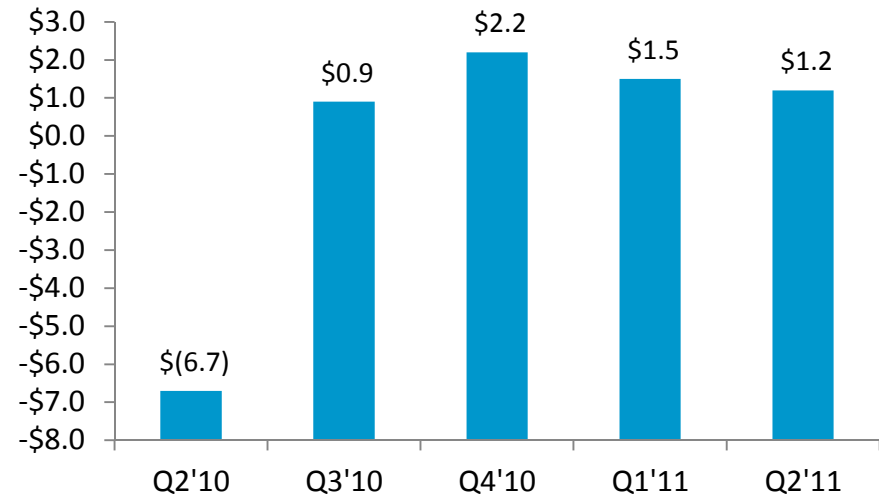
Record Net Sales

(\$ in millions)



Adjusted EBITDA

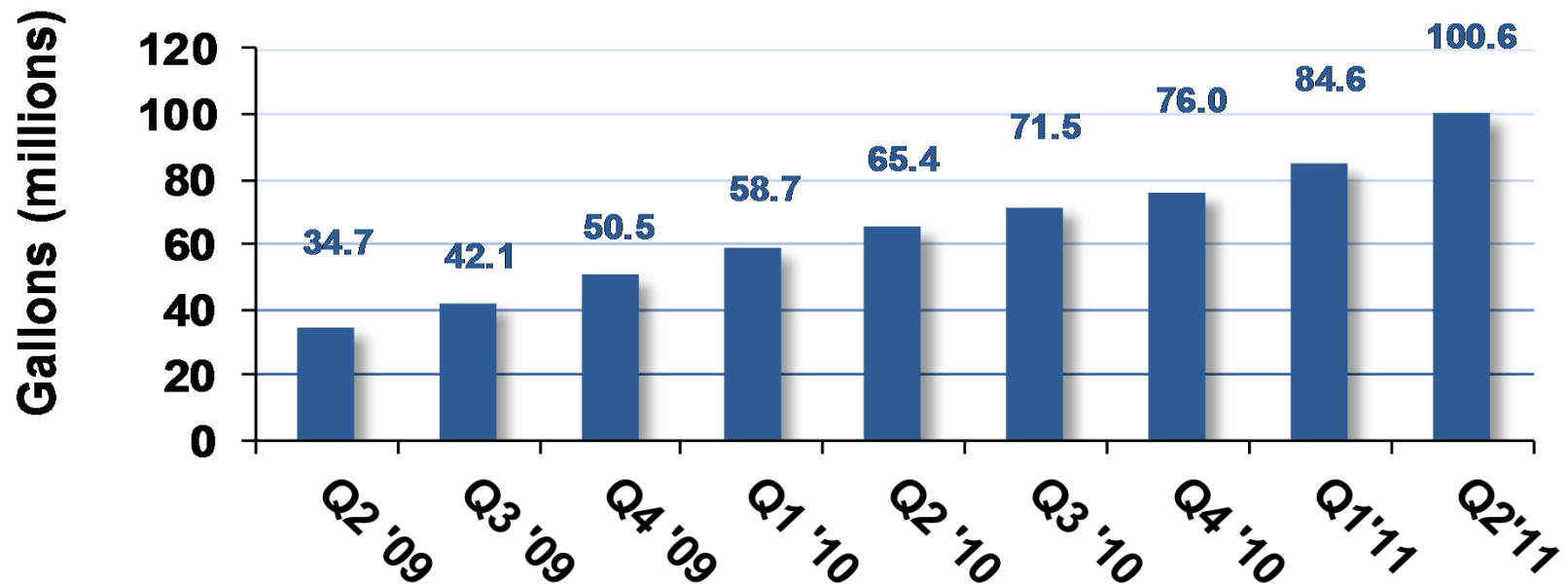
(\$ in millions)





Total Gallons Sold

Q2'11 Total Gallons Sold Highest in Company History



*54% increase in total ethanol gallons sold over Q2'10 & 19% growth sequentially
Represents eighth consecutive quarter of growth with a CAGR of 70% and the highest
total gallons sold in the company's history*



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Pacific Ethanol's Diversified Business Model

Production

During Q2'11, the three Pacific Ethanol plants produced at near capacity

Marketing

Q2'11 growth included new marketed gallons from AE Biofuels Keyes

Asset Management

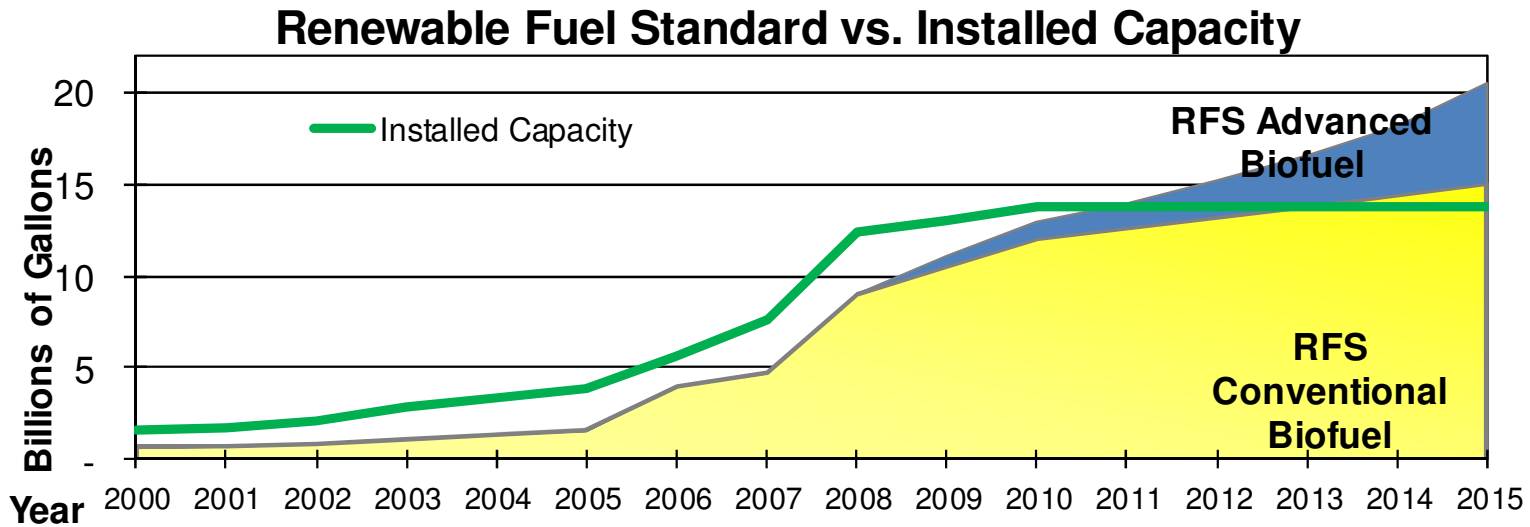
Continued focus on keeping costs low & efficiencies high



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Renewable Fuel Standard

Driving Ethanol Demand



Source: PEI projections

- 2011 U.S. ethanol demand at 13 billion gallons per year (BGY)
- 15 BGY conventional biofuel by 2015; 36 BGY total biofuel by 2022 under current Renewable Fuel Standard (RFS)
- Current U.S. gasoline consumption ~ 140 BGY
- Higher level blends and investment in existing and new technology required to meet RFS goals

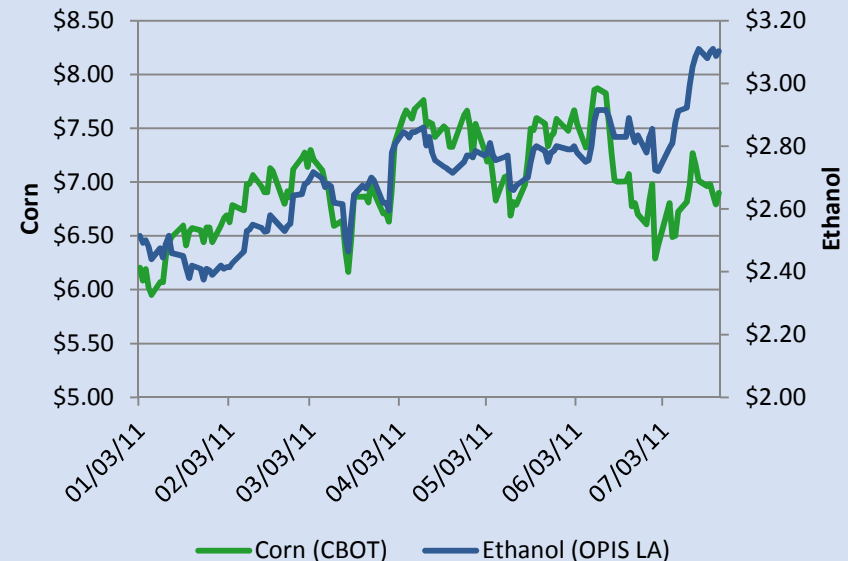


Favorable Supply Chain Logistics

Advantageous business model enables Pacific Ethanol to mitigate exposure risks around the fluctuating corn supply and price increases

- Pacific Ethanol Plants positioned to source corn from a variety of markets in the Midwest and/or local producers located near the production facilities
- Contracts with suppliers guarantee delivery of corn even in tightened conditions
- Focused on locking in margins when possible to improve plant profitability and liquidity

Corn & Ethanol Price Comparison



Source: PEI Calculations



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Improving Financial Results

	<u>For the 3 mos. ended</u>	
<i>(thousands, unaudited)</i>	June 30, '11	June 30, '10
Net sales	\$ 214,593	\$ 76,758
Gross profit (loss)	\$ 1,283	\$ (2,729)
SG&A	\$ 4,059	\$ 3,177
Operating loss	\$ (2,776)	\$ (5,906)
Net income avail. to CS*	\$ 435	\$ 107,754
Adjusted EBITDA	\$ 1,165	\$ (6,738)

* During the second quarter of 2011, Pacific Ethanol recorded a non-cash gain of \$1.9 million for fair value adjustment on convertible notes and warrants, representing their quarterly fair value adjustment, and during the second quarter of 2010, the company recorded a non-cash gain from bankruptcy exit of \$119.4 million.



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Strengthening Balance Sheet

<i>(thousands, unaudited)</i>	June 30, '11	March 31, '11	June 30, '10
Cash	\$ 9,832	\$ 8,450	\$ 1,975
Current Assets	\$ 73,162	\$ 63,915	\$ 18,256
Current Liabilities	\$ 39,020	\$ 43,047	\$ 37,718
Working Capital	\$ 34,142	\$ 20,868	\$ (19,462)



Executing Strategy to Build Shareholder Value

Pacific Ethanol's mission is to be the leading marketer and producer of low-carbon renewable fuels in the Western United States

- Capitalizing on business model, industry expertise, logistical advantages and strategy for growth
- Leveraging transformed balance sheet to grow revenues, increase cash flows and improve profitability
- Building leadership position in production, marketing and asset management
 - Increasing annual capacity to 200 MGY when market conditions permit
 - Maintaining the strong growth trajectory of our marketing business
 - Evaluating opportunities to improve efficiencies in operating assets



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Reconciling Table: Adjusted EBITDA to Net Income

<i>(in thousands, unaudited)</i>	For the 3 mos. ended	
	June 30, '11	June 30, '10
Net income attributed to PEI	\$ 750	\$108,552
Adjustments:		
Interest expense*	1,447	1,271
Interest income*	—	—
Fair value adjustments on convertible notes and warrants	(1,929)	—
Gain from bankruptcy exit	—	(119,408)
Depreciation and amortization expense*	<u>897</u>	<u>2,847</u>
Total adjustments	<u>415</u>	<u>(115,290)</u>
Adjusted EBITDA	<u>\$ 1,165</u>	<u>\$ (6,738)</u>

* Adjusted for noncontrolling interest in variable interest entity.