Pacific Ethanol, Inc. (NASDAQ: PEIX)

FOURTH QUARTER & YEAR-END 2017

MARCH 1, 2018

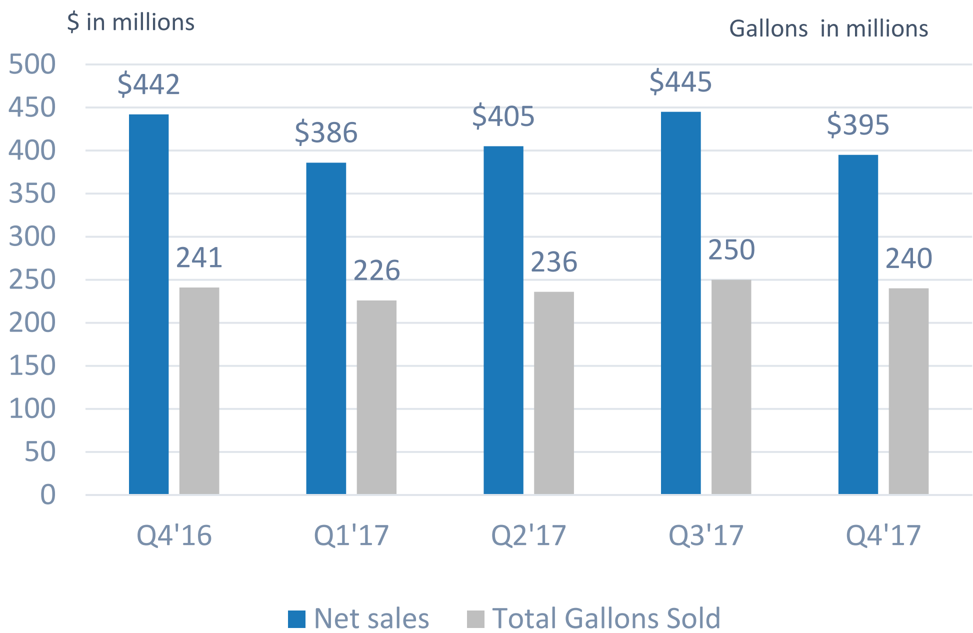
Safe Harbor Statement

Statements and information contained in this communication that refer to or include Pacific Ethanol's estimated or anticipated future results or other non-historical expressions of fact are forward-looking statements that reflect Pacific Ethanol's current perspective of existing trends and information as of the date of the communication.

Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "should," "estimate," "expect," "forecast," "outlook," "guidance," "intend," "may," "might," "will," "possible," "potential," "predict," "project," or other similar words, phrases or expressions. Such forward-looking statements include, but are not limited to, statements concerning future market conditions, including the supply of and domestic and international demand for ethanol and co-products; expected market growth for these products; anticipated margins, commodity prices and export conditions; anticipated ethanol blend rates, including E15 adoption, the expansion of E15 infrastructure and related effects on ethanol demand; the timing and effectiveness of, and cost and energy savings and emission reduction from, new technologies and other improvements implemented at Pacific Ethanol's plants; anticipated selling, general and administrative expense levels; the effects of Pacific Ethanol's net operating loss carryovers, including on Pacific Ethanol's effective tax rate; capital expenditure projects and their associated costs, as well as anticipated capital expenditure amounts; the anticipated benefits of the acquisition of Illinois Corn Processing, including future financial and operating results, cost savings and synergies; and Pacific Ethanol's other plans, objectives, expectations and intentions. It is important to note that Pacific Ethanol's plans, objectives, expectations and intentions are not predictions of actual performance. Actual results may differ materially from Pacific Ethanol's current expectations depending upon a number of factors affecting Pacific Ethanol. These factors include, among others, adverse economic and market conditions, including for ethanol and its co-products; fluctuations in the prices of oil and gasoline; raw material costs, including ethanol production input costs; the ability of Pacific Ethanol to timely and successfully execute on, and the effects of, its further initiatives to optimize production, improve plant efficiencies and increase yields, reduce operating costs, and reduce energy usage and emissions; changes in governmental regulations and policies; and insufficient capital resources. These factors also include, among others, the inherent uncertainty associated with financial and other projections; the anticipated size of the markets and continued demand for Pacific Ethanol's products; the impact of competitive products and pricing; the risks and uncertainties normally incident to the ethanol and specialty alcohol production and marketing industries; changes in generally accepted accounting principles; successful compliance with governmental regulations applicable to Pacific Ethanol's facilities, products and/or businesses; changes in laws and regulations; the loss of key senior management or staff; and other events, factors and risks previously and from time to time disclosed in Pacific Ethanol's filings with the Securities and Exchange Commission including, specifically, those factors set forth in the "Risk Factors" section contained in the Pacific Ethanol's Form 10-Q filed with the Securities and Exchange Commission on November 9, 2017.

Q4 & Full Year 2017 Summary

QUARTERLY NET SALES & TOTAL GALLONS SOLD



Q4’17 FINANCIAL HIGHLIGHTS

- Net sales of $395 million
- Record production gallons sold of 150 million
- For the quarter, ICP contributed 10% of net sales and $2.3 million in pre-tax income.

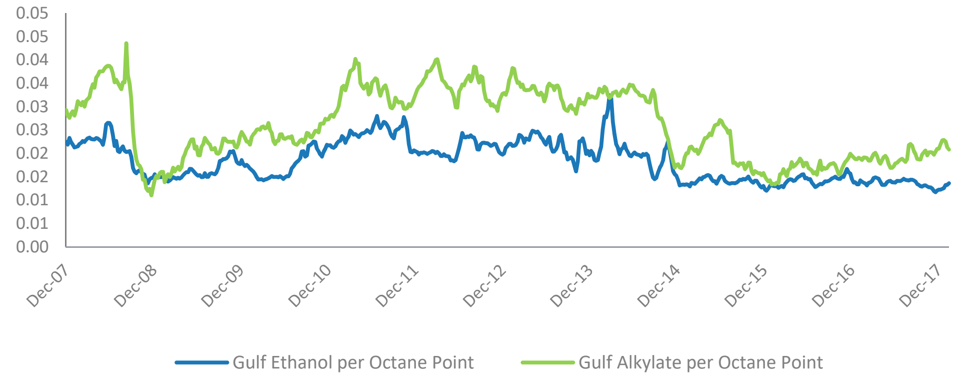
2017 FINANCIAL HIGHLIGHTS

- Net sales of $1.6 billion
- Record production gallons sold of 527 million

Ethanol: Lowest Cost & Cleanest Source of Octane

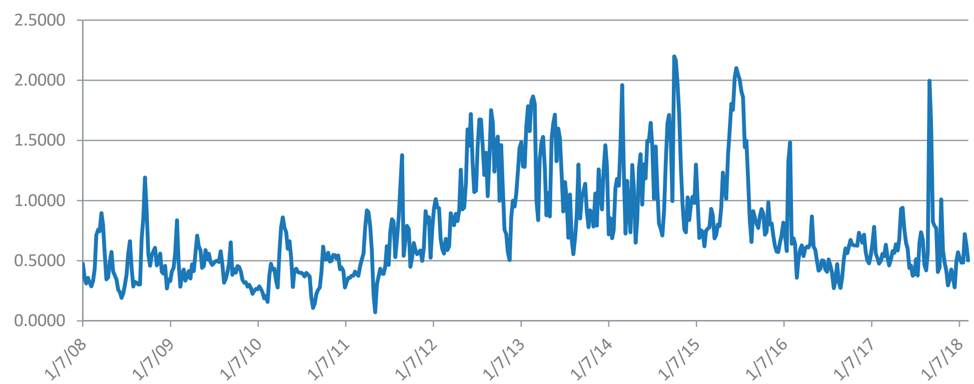
- Slate of crude oil supply and higher demand for premium fuel create octane shortage
- Auto companies calling for higher octane fuels to power next generation of increasingly efficient engines
- Higher blends of ethanol necessary to meet future octane and carbon reduction needs
- Opens up new export opportunities as world markets are increasingly octane short

ETHANOL VS. ALKYLATE



((93 Premium - 87 Regular)/6)* (113-87)

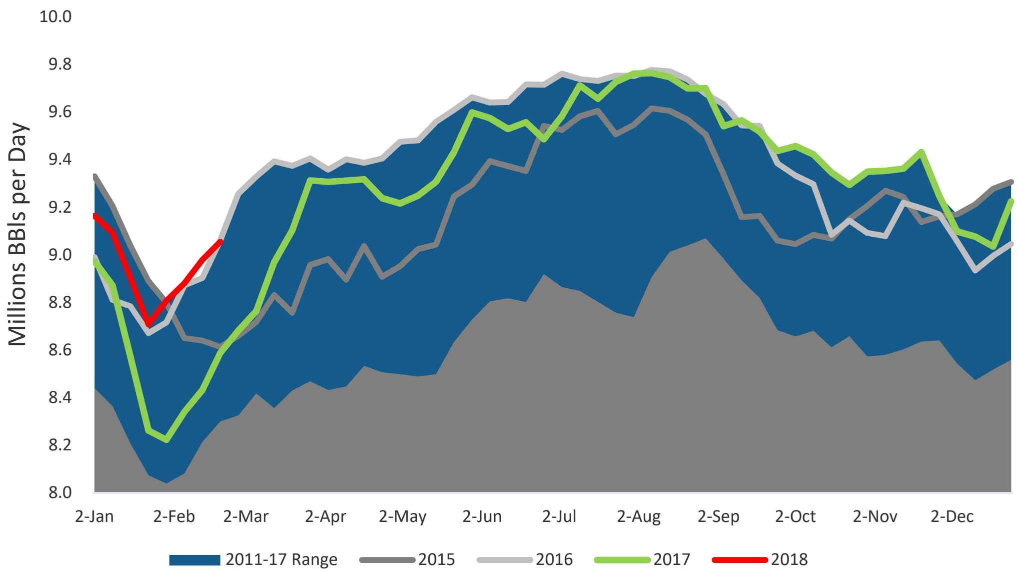
OCTANE VALUE



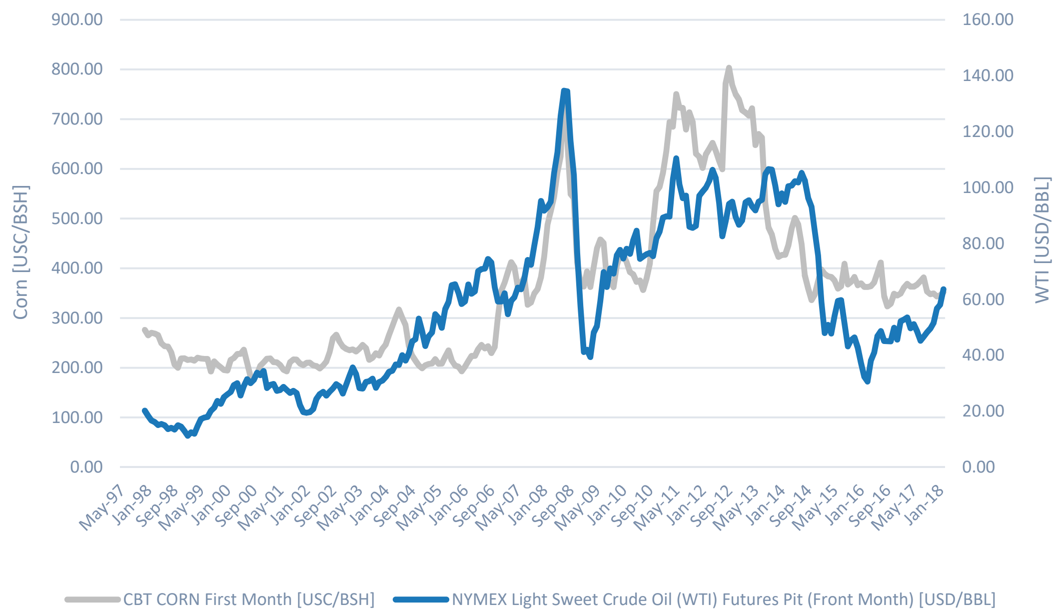
Source: OPIS, EIA, CBOT

Fundamentals Support Continued Demand

U.S. MOTOR GASOLINE DEMAND BASED ON 4-WK AVERAGE



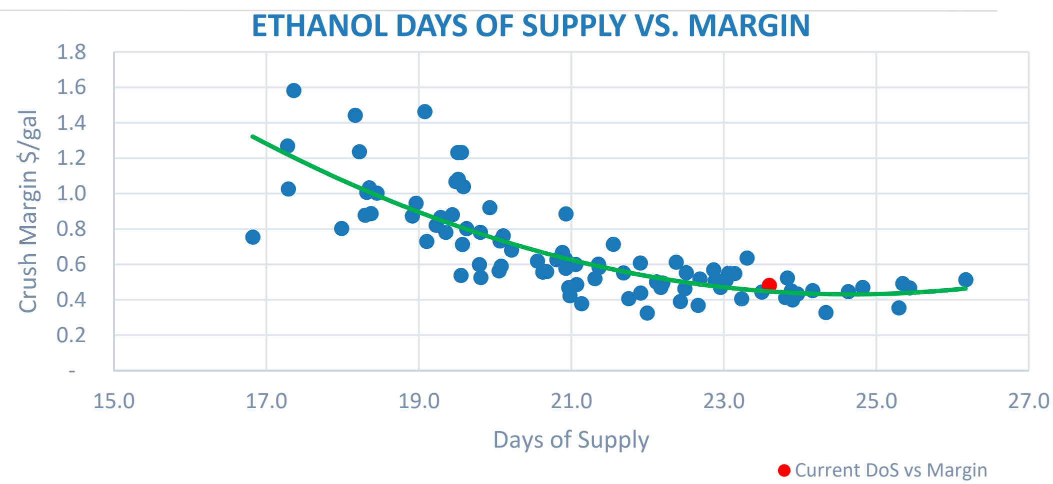
CORN VS. CRUDE OIL

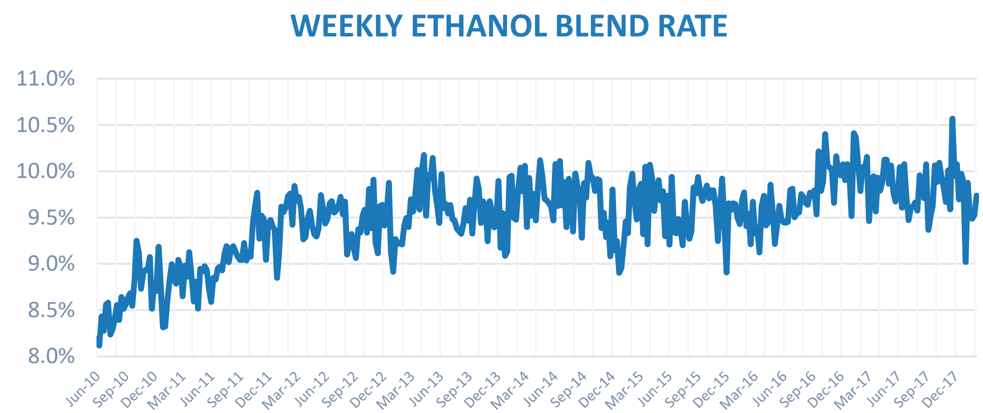


Source: NYMEX, CBOT, EIA

Ethanol: Supply & Demand

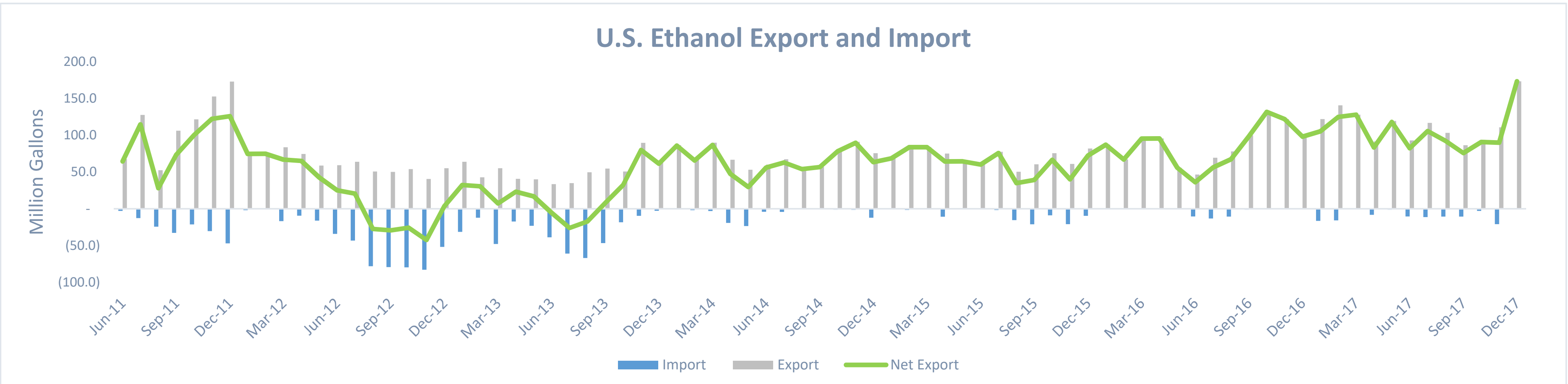
- Record production and high inventory levels suppressed margins in Q4
- Over 1,200 stations in 29 states now offering E15 for sale
- Current ethanol pricing strongly incents higher blends and growth in exports





Source: OPIS, EIA, CBOT

Exports Create Growth Opportunity

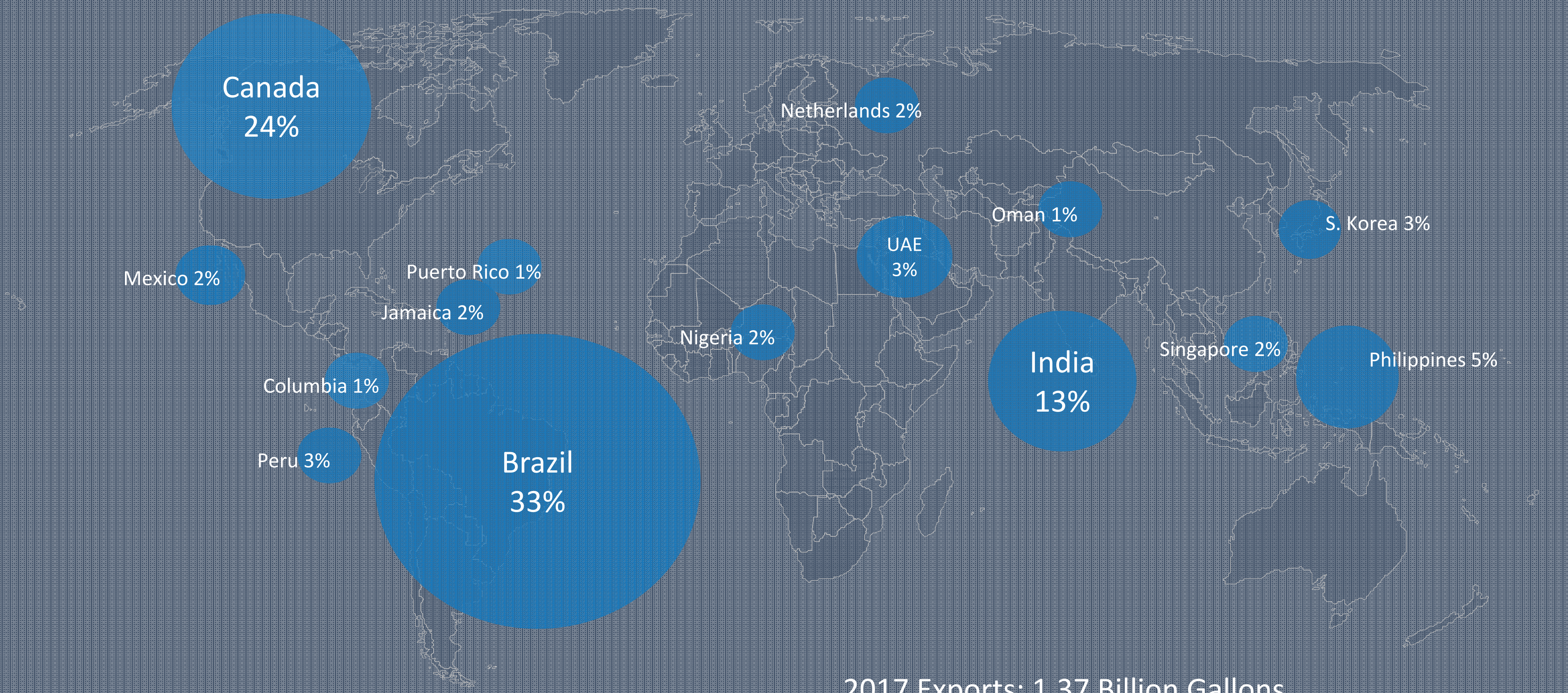


Source: EIA, Department of Commerce

Exports Support Long-term Demand

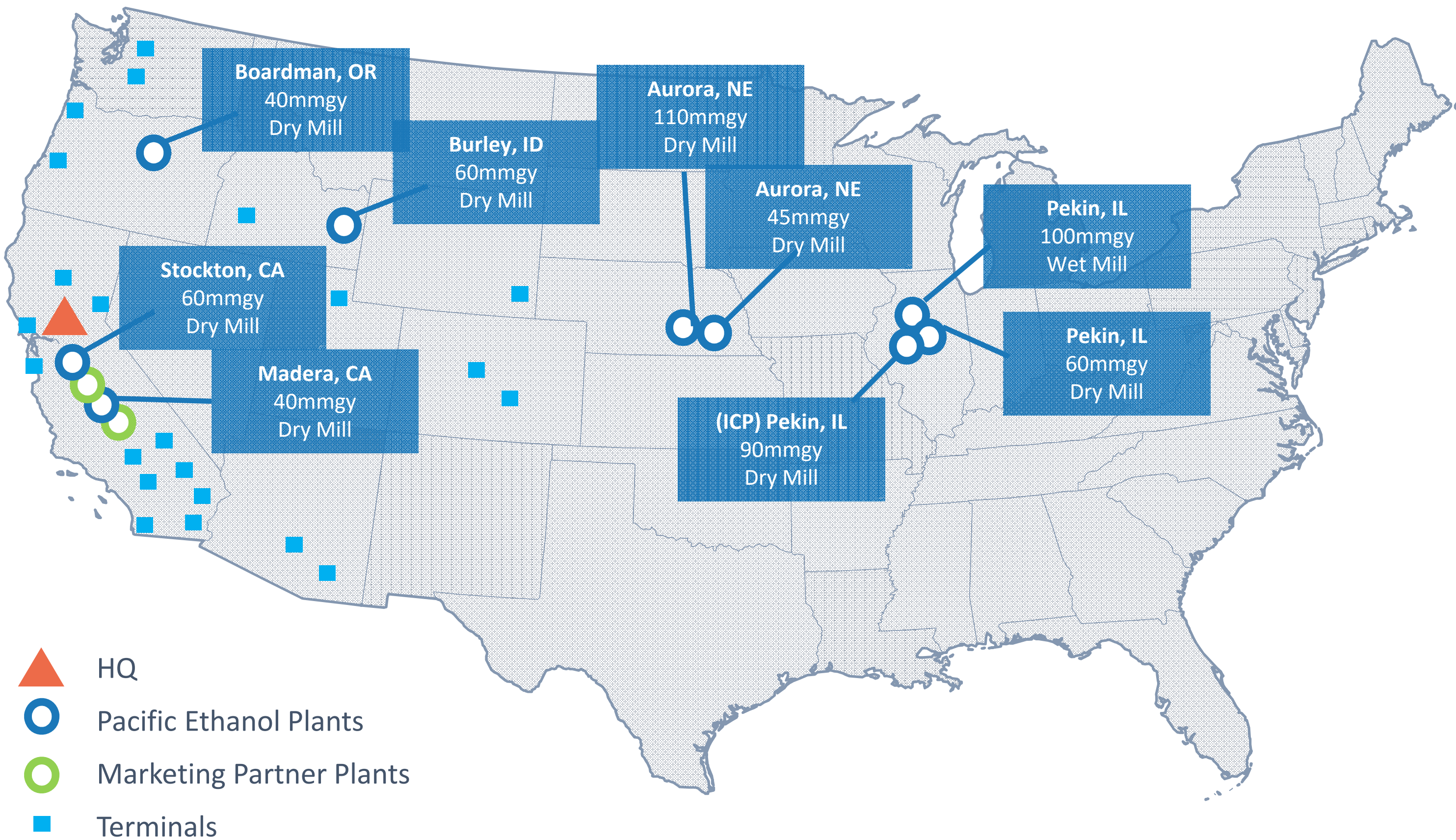
- U.S. ethanol exports reached a record of 1.37 billion gallons in 2017, a 17% increase over 2016
- Demand is growing as global markets incorporate environmental and performance benefits
- Approximately 30 countries have renewable fuel standards or targets
- U.S. ethanol producers supply the world with lower cost ethanol than competing sugar based Brazilian ethanol

Top Markets for U.S. Ethanol 2017



2017 Exports: 1.37 Billion Gallons
2016 Exports: 1.05 Billion Gallons
2015 Exports: 0.84 Billion Gallons

Serving Multiple Markets



Plant Investment Initiatives

COGENERATION system at Stockton plant anticipated to reduce annual energy cost by up to $4 million

INDUSTRIAL SCALE MEMBRANE SYSTEM at Madera; estimated operating efficiencies, energy savings and carbon premium combined = ~ $1 million annually at current market rates

Producing **CELLULOSIC ETHANOL** at Stockton; commercial operations at Madera began in December; submitted for a pathway for Magic Valley

Installing 5-megawatt **SOLAR POWER** system at Madera plant; expected to reduce utility costs by approximately $1 million annually and lower our carbon score

INTEGRATION OF ICP expected to generate $4.5 million in cost synergies in 2018.

Operating Results Summary

($ in thousands, except per share amounts)	Three Months Ended December 31,		Years Ended December 31,	
	2017	2016	2017	2016
Net sales	$ 395,271	$ 441,719	$ 1,632,255	$ 1,624,758
Cost of goods sold	397,285	414,405	1,626,324	1,570,400
Gross profit (loss)	(2,014)	27,314	5,931	54,358
Selling, general and administrative expenses	8,584	8,506	31,516	30,849
Income (loss) from operations	(10,598)	18,808	(25,585)	23,509
Fair value adjustments	—	(504)	473	(557)
Interest expense, net	(3,781)	(5,763)	(12,938)	(22,406)
Other expense, net	(52)	(93)	(345)	(1)
Income (loss) before provision (benefit) for income taxes	(14,431)	12,448	(38,395)	545
Provision (benefit) for income taxes	(321)	(736)	(321)	(981)
Consolidated net income (loss)	(14,110)	13,184	(38,074)	1,526
Net income (loss) attributed to noncontrolling interests	825	(107)	3,110	(107)
Net income (loss) attributed to Pacific Ethanol, Inc.	$ (13,285)	$ 13,077	$ (34,964)	$ 1,419
Preferred stock dividends	$ (319)	$ (319)	$ (1,265)	$ (1,269)
Income allocated to participating securities	$ —	$ (189)	$ —	$ (2)
Net income (loss) available to common stockholders	$ (13,604)	$ 12,569	$ (36,229)	$ 148
Net income (loss) per share, basic and diluted	$ (0.32)	$ 0.30	$ (0.85)	$ 0.00
Weighted-average shares outstanding, basic	42,911	42,258	42,745	42,182
Weighted-average shares outstanding, diluted	42,911	42,489	42,745	42,251
Adjusted EBITDA*	$ (273)	$ 27,425	$ 13,612	$ 58,911

* A reconciling table for Adjusted EBITDA is available in the Appendix of this presentation

Balance Sheet Review

($ in thousands)

At:		12/31/17		12/31/16
Cash & cash equivalents	$	49,489	$	64,259
Current assets		203,246		235,201
Total assets		720,296		708,238
Current liabilities		90,706		78,841
Total liabilities		336,596		289,977
Stockholders' equity		383,700		418,261
Total liabilities & stockholders' equity	$	720,296	$	708,238

Company Opportunities

CONTINUED LONG-TERM DEMAND FOR ETHANOL

- Octane, carbon and cost benefits of ethanol driving market growth
- Regulations support long-term increasing demand for renewable fuels
- Growing export environment supports demand for domestic ethanol

LEVERAGING OPERATING PLATFORM TO DRIVE GROWTH

- Strategically located bio-refineries serve multiple markets
- Diversity of production, geography, technology, feedstocks and logistics
- Implementing plant improvements to increase efficiencies and yields
- Acquired Illinois Corn Processing in July 2017, expanding production to include fuel, beverage and industrial alcohol products (90mmgy capacity)

Strategy for Growth

MISSION

To advance our position and significantly increase market share as a leading producer and marketer of low-carbon renewable fuels and high-quality alcohol products in the United States

Continuing to evaluate and make investments in initiatives that…

- Promote production efficiencies
- Diversify production and revenue
- Improve our carbon score
- Improve plant profitability

Use of **Non-GAAP Measures**

Management believes that certain financial measures not in accordance with generally accepted accounting principles ("GAAP") are useful measures of operations.

The company defines Adjusted EBITDA as unaudited net income (loss) attributed to Pacific Ethanol before interest expense, provision (benefit) for income taxes, asset impairments, purchase accounting adjustments, fair value adjustments, and depreciation and amortization expense. A table is provided at the end of this presentation that provides a reconciliation of Adjusted EBITDA to its most directly comparable GAAP measure. Management provides this non-GAAP measure so that investors will have the same financial information that management uses, which may assist investors in properly assessing the company's performance on a period-over-period basis. Adjusted EBITDA is not a measure of financial performance under GAAP, and should not be considered as an alternative to net income (loss) or any other measure of performance under GAAP, or to cash flows from operating, investing or financing activities as an indicator of cash flows or as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool and you should not consider this measure in isolation or as a substitute for analysis of the company's results as reported under GAAP.

Adjusted EBITDA Reconciliation

(Figures below in thousands)

	3 Mos. 12/31/17	3 Mos. 12/31/16	Year 12/31/17	Year 12/31/16
Net income (loss) attributed to Pacific Ethanol	$ (13,285)	$ 13,077	$ (34,964)	$ 1,419
Adjustments:				
Interest expense*	3,675	5,755	12,738	22,386
Provision (benefit) for income taxes	(321)	(736)	(321)	(981)
Fair value adjustments	--	504	(473)	557
Depreciation and amortization expense*	9,658	8,825	36,632	35,530
Total adjustments	13,012	14,348	48,576	57,492
Adjusted EBITDA	$ (273)	$ 27,425	$ 13,612	$ 58,911

* Adjusted for noncontrolling interest.

Thank You