UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported) **July 3, 2017**

PACIFIC ETHANOL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**000-21467**	**41-2170618**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

400 Capitol Mall, Suite 2060, Sacramento, CA	**95814**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(916) 403-2123**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2). Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

As reported in the Current Report on Form 8-K filed by Pacific Ethanol, Inc. (the "Company") on July 5, 2017 (the "Initial Form 8-K"), effective July 3, 2017, the Company completed its previously announced acquisition of Illinois Corn Processing, LLC. The Company is filing this Amendment No. 1 to the Initial Form 8-K ("Amendment No. 1") to amend and restate in its entirety Item 9.01 in the Initial Form 8-K to provide the financial statements and pro forma information required by Item 9.01 of Form 8-K that were omitted from the Initial Form 8-K as permitted.

Item 9.01 Financial Statements and Exhibits.

(a) *Financial Statements of Businesses Acquired.*

The audited balance sheets of Illinois Corn Processing, LLC as of December 31, 2016 and 2015, and the related audited statements of comprehensive income, changes in members' equity and cash flows for the years then ended, the related notes to such audited financial statements and the related independent auditor's report are attached as Exhibit 99.1 to this Amendment No. 1.

The audited balance sheets of Illinois Corn Processing, LLC as of December 31, 2015 and 2014, and the related audited statements of comprehensive income, changes in members' equity and cash flows for the years then ended, the related notes to such audited financial statements and the related independent auditor's report are attached as Exhibit 99.2 to this Amendment No. 1.

The unaudited condensed balance sheet of Illinois Corn Processing, LLC as of March 31, 2017, and the related unaudited condensed statements of comprehensive income and cash flows for the three months ended March 31, 2017 and 2016, and the related notes thereto are attached as Exhibit 99.3 to this Amendment No. 1.

(b) *Pro Forma Financial Information.*

The following pro forma financial information is attached as Exhibit 99.4 to this Amendment No. 1:

- Unaudited Pro Forma Combined Condensed Balance Sheet as of March 31, 2017;
- Unaudited Pro Forma Combined Condensed Statement of Operations for the three months ended March 31, 2017; and
- Unaudited Pro Forma Combined Condensed Statement of Operations for the year ended December 31, 2016.

(d) *Exhibits.*

Number	Description (#)
2.1	Agreement and Plan of Merger, dated June 26, 2017, by and among Pacific Ethanol Central, LLC, ICP Merger Sub, LLC, Illinois Corn Processing, LLC, Illinois Corn Processing Holdings Inc., and MGPI Processing, Inc. (1)
10.1	Note Purchase Agreement, dated June 26, 2017, by and among Pacific Ethanol, Inc. and the Investors (1)
10.2	Consent of Holders and Amendment of Senior Secured Notes, dated June 26, 2017, by and among the Investors and the other holders identified therein (1)
10.3	Form of Senior Note for an aggregate principal amount of $13,948,078 issued on June 30, 2017 pursuant to the Note Purchase Agreement, dated June 26, 2017, by and among Pacific Ethanol, Inc. and the investors party thereto (2)
10.4	Security Agreement, dated December 15, 2016, by and among Pacific Ethanol, Inc., Cortland Capital Market Services LLC and the holders of Pacific Ethanol, Inc.'s Prior Senior Notes (3)
10.5	First Amendment to Security Agreement, dated June 30, 2017, by and among Pacific Ethanol, Inc., Cortland Capital Market Services LLC and the holders of Pacific Ethanol, Inc.'s Senior Notes and Prior Senior Notes (2)
10.6	Promissory Note issued to Illinois Corn Processing Holdings Inc. on July 3, 2017 (2)
10.7	Promissory Note issued to MGPI Processing, Inc. on July 3, 2017 (2)
23.1	Consent of Ernst & Young LLP, independent auditors for Illinois Corn Processing, LLC (*)
99.1	Audited balance sheets of Illinois Corn Processing, LLC as of December 31, 2016 and 2015, and the related audited statements of comprehensive income, changes in members' equity and cash flows for the years then ended, the related notes thereto and the related independent auditor's report (*)
99.2	Audited balance sheets of Illinois Corn Processing, LLC as of December 31, 2015 and 2014, and the related audited statements of comprehensive income, changes in members' equity and cash flows for the years then ended, the related notes thereto and the related independent auditor's report (*)
99.3	Unaudited condensed balance sheet of Illinois Corn Processing, LLC as of March 31, 2017, and the related unaudited condensed statements of comprehensive income and cash flows for the three months ended March 31, 2017 and 2016 and the related notes thereto (*)
99.4	Pro Forma Financial Information listed in Item 9.01(b) (*)

(*) Filed herewith.

(#) All of the agreements filed as exhibits to this report contain representations and warranties made by the parties thereto. The assertions embodied in such representations and warranties are not necessarily assertions of fact, but a mechanism for the parties to allocate risk. Accordingly, investors should not rely on the representations and warranties as characterizations of the actual state of facts or for any other purpose at the time they were made or otherwise.

(1) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 27, 2017 and incorporated herein by reference. The Agreement and Plan of Merger filed as Exhibit 2.1 omits certain exhibits and the disclosure schedules to the Agreement and Plan of Merger pursuant to Item 601(b)(2) of Regulation S-K promulgated by the Securities and Exchange Commission. The Company agrees to furnish on a supplemental basis a copy of the omitted exhibits and schedules to the Securities and Exchange Commission upon request.

(2) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 5, 2017.

(3) Filed as an exhibit to the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 20, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 31, 2017

PACIFIC ETHANOL, INC.

By: /S/ CHRISTOPHER W. WRIGHT
Christopher W. Wright
Vice President, General Counsel & Secretary

EXHIBITS FILED WITH THIS REPORT

Number	Description
23.1	Consent of Ernst & Young LLP, independent auditors for Illinois Corn Processing LLC
99.1	Audited balance sheets of Illinois Corn Processing, LLC as of December 31, 2016 and 2015, and the related audited statements of comprehensive income, changes in members' equity and cash flows for the years then ended, the related notes thereto and the independent auditor's report
99.2	Audited balance sheets of Illinois Corn Processing, LLC as of December 31, 2015 and 2014, and the related audited statements of comprehensive income, changes in members' equity and cash flows for the years then ended, the related notes thereto and the independent auditor's report
99.3	Unaudited condensed balance sheets of Illinois Corn Processing, LLC as of March 31, 2017, and the related unaudited condensed statements of comprehensive income and cash flows for the three months ended March 31, 2017 and 2016 and the related notes thereto
99.4	Pro Forma Financial Information listed in Item 9.01(b)

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-3 Nos. 333-178685, 333-180731, 333-195364 and 333-217323) of Pacific Ethanol, Inc.,

(2) Registration Statement (Form S-4 No. 333-201879) of Pacific Ethanol, Inc., and

(3) Registration Statement (Form S-8 Nos. 333-137663, 333-169002, 333-176540, 333-185884, 333-189478, 333-196876 and 333-212070) of Pacific Ethanol, Inc.,

of our report dated April 26, 2017 with respect to the financial statements of Illinois Corn Processing, LLC as of and for the years ended December 31, 2016 and 2015, and of our report dated and March 24, 2016 with respect to the financial statements of Illinois Corn Processing, LLC as of and for the years ended December 31, 2015 and 2014, included in this Amendment No. 1 to Current Report (Form 8-K/A) of Pacific Ethanol, Inc.

/s/ Ernst & Young, LLP

St. Louis, Missouri
July 31, 2017

Exhibit 99.1

FINANCIAL STATEMENTS

Illinois Corn Processing, LLC (a Limited Liability Company)
Years Ended December 31, 2016 and 2015
With Report of Independent Auditors

Illinois Corn Processing, LLC
(a Limited Liability Company)

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Report of Independent Auditors

The Board of Advisors
Illinois Corn Processing, LLC

We have audited the accompanying financial statements of Illinois Corn Processing, LLC, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of comprehensive income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Illinois Corn Processing, LLC at December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

April 26, 2017

Illinois Corn Processing, LLC
(a Limited Liability Company)

Balance Sheets
(in thousands)

	December 31	
	2016	**2015**
ASSETS		
Current Assets:		
Cash	$ 25,158	$ 20,616
Restricted cash	264	410
Margin deposits	274	1,596
Trade receivables:		
Due from affiliates	3,423	2,385
Due from nonaffiliates, net of allowance for doubtful accounts of $0 in 2016 and 2015	7,212	4,679
Deposits	104	54
Inventories	11,133	18,574
Derivative assets	1,445	803
Prepaid expenses	70	151
Total current assets	49,083	49,268
Property and Equipment:		
Historical Cost	50,156	45,434
Accumulated depreciation	(28,811)	(25,782)
Net property and equipment	21,345	19,652
Debt issuance costs	119	213
	$ 70,547	$ 69,133
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Accounts payable:		
Due to affiliates	$ 393	$ 571
Due to nonaffiliates	5,069	5,711
Accrued wages and benefits	729	687
Accrued property taxes	107	106
Derivative liabilities	1,000	1,315
Total current liabilities	7,298	8,390
Postretirement liabilities	135	139
Total liabilities	7,433	8,529
Members' equity:		
Contributed capital	33,000	33,000
Accumulated earnings	30,106	27,550
Accumulated other comprehensive income	8	54
Total members' equity	63,114	60,604
	$ 70,547	$ 69,133

See accompanying notes to financial statements.

Illinois Corn Processing, LLC
(a Limited Liability Company)

Statements of Comprehensive Income
(in thousands)

	For the years ended December 31	
	2016	**2015**
Net Sales	$ 177,401	$ 166,905
Cost of Sales (exclusive of depreciation shown separately below):		
Finished goods	158,495	143,967
Derivative gains (losses), net	(911)	1,251
	157,584	145,218
Gross profit (exclusive of depreciation shown separately below)	19,817	21,687
Selling, General and Administrative Expenses	3,002	2,191
Depreciation	3,030	2,634
Operating Income	13,785	16,862
Other Income	–	4,112
Interest Expense	(229)	(160)
Net Income	13,556	20,814
Gain (Loss) on Postretirement Benefits	(46)	44
Comprehensive Income	$ 13,510	$ 20,858

See accompanying notes to financial statements.

Illinois Corn Processing, LLC
(a Limited Liability Company)

Statements of Changes in Members' Equity
(in thousands)

	Contributed Capital	Accumulated Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
December 31, 2014	$ 33,000	$ 11,127	$ 10	$ 44,137
Net income	–	20,814	–	20,814
Dividends paid to members	–	(4,391)	–	(4,391)
Postretirement benefit obligation	–	–	44	44
December 31, 2015	33,000	27,550	54	60,604
Net income	–	13,556	–	13,556
Dividends paid to members	–	(11,000)	–	(11,000)
Postretirement benefit obligation	–	–	(46)	(46)
December 31, 2016	$ 33,000	$ 30,106	$ 8	$ 63,114

See accompanying notes to financial statements.

Illinois Corn Processing, LLC
(a Limited Liability Company)

Statements of Cash Flows
(in thousands)

	For the years ended December 31	
	2016	**2015**
Cash Flows from Operating Activities:		
Net income	$ 13,556	$ 20,814
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,030	2,634
Amortization of debt issuance costs	94	71
Postretirement benefit expense	(17)	8
Contributions to postretirement benefit plan	(33)	(7)
Derivative (gains) losses, net	(911)	1,251
Cash settlements on derivative transactions, net	(47)	(1,344)
Changes in operating assets and liabilities:		
Margin deposits	1,322	(288)
Accounts receivable	(3,571)	3,255
Inventories	7,441	(7,404)
Prepaid expenses and deposits	31	129
Accounts payable and accrued expenses	(777)	(325)
Net cash provided by operating activities	20,118	18,794
Cash Flows from Investing Activities:		
Purchases of property and equipment	(4,722)	(4,712)
Decrease (Increase) in restricted cash	146	(110)
Net cash used in investing activities	(4,576)	(4,822)
Cash Flows from Financing Activities:		
Debt issuance costs	–	(284)
Dividend payments to members	(11,000)	(4,391)
Net cash used in financing activities	(11,000)	(4,675)
Net Increase in Cash	4,542	9,297
Cash, Beginning of Year	20,616	11,319
Cash, End of Year	$ 25,158	$ 20,616
Supplemental Information:		
Interest paid	$ 134	$ 79

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES

Nature of Operations. Illinois Corn Processing LLC (the "Company"), a Delaware limited liability company, consists of two members, Illinois Corn Processing Holdings, Inc. ("ICPH") and MGPI Processing, Inc. ("MGPI"). ICPH is a wholly owned subsidiary of SEACOR Holdings Inc. (along with its controlled and consolidated subsidiaries collectively referred to as "SEACOR"). MGPI is a wholly owned subsidiary of MGP Ingredients, Inc. (along with its controlled and consolidated subsidiaries collectively referred to as "MGP"). The Company was formed on November 20, 2009, through MGPI's contribution of a previously idled manufacturing plant in Pekin, IL, and the sale of a 50% interest to SEACOR for $15.0 million in cash. On February 1, 2012, ICPH acquired an additional 20% equity interest in the Company from MGPI for $9.1 million. Pursuant to the Limited Liability Company agreement entered into on November 20, 2009, between ICPH and MGPI (the "LLC Agreement"), the purchase price was based on a predetermined enterprise value of the Company plus capital improvements made since inception. Following this transaction, ICPH owns 70% of the Company.

These financial statements do not reflect push-down purchase accounting activity for ICPH's acquisition to obtain a controlling interest in the Company. Capital contributions, distributions, and allocations of net income or loss are made based on each member's proportionate share of ownership, with certain exceptions, and the liability of the members is limited to their investment in the Company.

The Company is in the business of manufacturing alcohol for beverage, industrial, and fuel applications. During the years ended December 31, 2016 and 2015, the Company sold certain alcohol finished goods to MGP and also sold alcohol finished goods to other unrelated third parties. Certain co-products and byproducts of the manufacturing process are also sold to other unrelated third parties.

The LLC Agreement contains certain covenants including, among others, a provision that does not allow the Company to incur three consecutive fiscal quarters of losses, as defined, equaling or exceeding $1.5 million in the aggregate; or at any time allow the Company's net working capital to be less than $2.5 million. In the event of noncompliance with these covenants, MGPI or ICPH would have the unilateral right to shut down the plant, which could result in a default on the Company's Revolving Credit Facility (see Note 2).

Also in accordance with the LLC Agreement, either member (the "Electing Party") has the right to elect a shutdown of the Pekin plant if the Company incurs a quarterly loss, as defined, in excess of $0.5 million; however, the other member has the right to object to the shutdown election and continue operations of the plant. The Electing Party has the right but not the obligation to withdraw its shutdown election at the beginning of each subsequent quarter. Effective April 1, 2013, MGPI elected to shut down the Pekin plant in accordance with the provisions of the LLC Agreement. ICPH objected to the shutdown, thereby keeping the plant operational. On April 1, 2014, MGPI withdrew its shutdown election. As a consequence of the shutdown election, in accordance with the Company's LLC agreement, the Company's EBITDA was allocated to MGPI and ICPH at 20% and 80%, respectively, during the shutdown election period. The earnings allocation between MGPI and ICPH reverted to 30% and 70%, respectively, after the withdrawal of the shutdown election. As a result of the disproportional allocation of EBITDA during the shutdown election period as of December 31, 2014, ICPH and MGPI members' equity balances represented 72% and 28%, respectively, of total equity. On April 1, 2015, the Company made a disproportionate distribution of $4.4 million to ICPH, which resulted in the members' capital account to equal their respective ownership.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include those related to the allowance for doubtful accounts, impairments, certain accrued liabilities, and postretirement benefit obligations. Actual results could differ from those estimates and those differences may be material.

Subsequent Events. The Company has performed an evaluation of subsequent events through April 26, 2017, the date the financial statements were available to be issued.

Revenue Recognition. The Company recognizes revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met. The Company earns revenues from the sale of alcohol, co-products, and byproducts. Revenues and related costs from these sales are recorded when title transfers to the buyer.

Shipping Costs. The sales price for certain of the Company's products includes a component for the shipment of the product on behalf of its customers. The costs related to these shipments are included in cost of goods sold in the accompanying statements of comprehensive income.

Trade Receivables. The Company's customers primarily are petrochemical, agricultural and industrial companies. Customers are granted credit on a short-term basis and credit risks are considered minimal. The Company routinely reviews its trade receivables and makes provisions for doubtful accounts based on existing customer and economic conditions; however, those provisions are estimates and actual results could differ from those estimates, and those differences may be material. Trade receivables are deemed uncollectible and removed from accounts receivable and the allowance for doubtful accounts when collection efforts have been exhausted.

Restricted Cash. The Company is a self-directing customer of the Natural Gas Energy Efficiency Program, a state of Illinois excise tax program that funds natural gas energy efficiency projects. Under this state regulation, the Company reserves two-percent of its natural gas costs incurred, not to exceed $150,000 per fiscal year. These restricted funds are held by the Company to fund internal capital expenditure projects designed to reduce consumption of natural gas by the Company. As of December 31, 2016 and 2015, the Company had $0.3 million and $0.4 million, respectively, of restricted cash to fund future energy efficiency projects. The Company must either use these funds toward natural gas energy efficiency projects within three years of designation or remit them as a tax payment to the state of Illinois.

Margin Deposits. The Company's margin deposits consist of cash on deposit with its futures commission merchant in support of its open derivative contracts (see Note 3). The amount of margin deposit required to be maintained is based on the number of open derivative contracts and their underlying fair value.

Inventories. Inventories are stated at the lower of cost (using the average cost method) or market. Inventories consist of finished goods (alcohol and dried distillers grains with solubles (DDGS) and raw materials in the form of agricultural commodities used in the production process.

The Company's inventories at December 31 consisted of the following (in thousands):

	2016	2015
Raw materials	$ 1,826	$ 2,198
Finished goods	7,850	14,907
Work in process	1,457	1,469
	$ 11,133	$ 18,574

Derivative Instruments. The Company accounts for derivatives through the use of a fair value concept whereby all of the Company's derivative positions are stated at fair value in the accompanying balance sheets. Realized and unrealized gains and losses on derivatives are reported in the accompanying statements of comprehensive income as derivative losses, net. As of December 31, 2016 and 2015, the Company had not designated any of its derivative instruments as hedges. Forward commodity purchase and sales contracts entered into by the company are not marked to fair value, as such contracts meet the normal purchases and sales exception under accounting principles generally accepted in the United States.

Concentrations of Credit Risk. The Company is exposed to concentrations of credit risk associated with its cash, restricted cash, margin deposits, raw material purchase commitments, and derivative instruments. The Company minimizes its credit risk relating to these positions by monitoring the financial condition of the financial institutions and counterparties involved and by primarily conducting business with large, well-established financial institutions and diversifying its counterparties. Derivatives instruments counterparty risk is supported by margin deposits maintained by the futures commission merchant. The Company does not currently anticipate nonperformance by any of its significant counterparties. The Company is also exposed to concentrations of credit risk relating to its receivables due from customers as described above. The Company does not generally require collateral or other security to support its outstanding receivables. The Company minimizes its credit risk relating to receivables by performing ongoing credit evaluations and, to date, credit losses have not been material.

For the year ended December 31, 2016, four companies, Archer Daniels Midland Company, Alcotra North America, Inc., Marathon Petroleum Corporation and MGP, each represented more than 10% of the Company's revenues. For the year ended December 31, 2015, three companies, Archer Daniels Midland Company, Alcotra North America, Inc., and MGP each represented more than 10% of the Company's revenues. The loss of one or more of these companies could have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Property and Equipment. Equipment, stated at cost, is depreciated using the straight line method over the estimated useful life of the asset to an estimated salvage value.

The estimated useful life (in years) of each of the Company’s major asset classes was as follows:

Warehouse, buildings, and improvements	20
Machinery and equipment	3–10

The Company’s major classes of property and equipment as of December 31 were as follows (in thousands):

	2016	2015
Land	$ 1,100	$ 1,100
Warehouses, buildings, and improvements	3,534	3,534
Machinery and equipment	44,822	35,370
Construction in progress	700	5,430
	$ 50,156	$ 45,434

Depreciation expense totaled $3.0 million and $2.6 million for the years ended December 31, 2016 and 2015, respectively. Equipment maintenance and repair costs are expensed as incurred.

Impairment of Long-Lived Assets. The Company performs an impairment analysis of long-lived assets used in operations, when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying values of the assets are not recoverable, as determined by the estimated undiscounted cash flows, the estimated fair value of the assets or asset groups are compared to their current carrying values and impairment charges are recorded if the carrying value exceeds fair value. The Company performs its testing on an asset or asset group basis. Generally, fair value is determined using valuation techniques, such as expected discounted cash flows or appraisals, as appropriate. During the years ended December 31, 2016 and 2015, the Company recognized no impairment charges related to long-lived assets held for use.

Debt Issuance Costs. Debt issuance costs are amortized over the life of the related debt using the straight line method and are included in interest expense in the accompanying statements of comprehensive income.

Income Taxes. The income or loss of the Company is included in the taxable income or loss of its individual members, and therefore, no provision for income taxes is included in the accompanying financial statements.

Postretirement Benefit Plan. The Company sponsors a postretirement benefit plan that provides medical benefits to certain retired employees (see Note 5). The Company annually measures the obligation for this plan at year end using actuarial techniques that reflect management’s assumptions for certain factors that impact the determination of the obligation and recognizes an asset or liability in the accompanying balance sheets based on the funded status of the plan. The Company’s obligation under this plan was unfunded as of December 31, 2016 and 2015.

New Accounting Pronouncements. On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States. The core principal of the new standard is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard is effective for annual and interim periods beginning after December 15, 2018 and early adoption is permitted. The Company has not yet selected the method of adoption or determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On February 25, 2016, the FASB issued a comprehensive new leasing standard, which improves transparency and comparability among companies by requiring lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The new standard is effective for interim and annual periods beginning after December 15, 2019 and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On August 26, 2016, the FASB issued an amendment to the accounting standard which amends or clarifies guidance on classification of certain transactions in the statement of cash flows, including classification of proceeds from the settlement of insurance claims, debt prepayments, debt extinguishment costs and contingent consideration payments after a business combination. This new standard is effective for the Company as of January 1, 2018 and early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On November 17, 2016, the FASB issued an amendment to the accounting standard which requires that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of- period total cash amounts shown on the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

2. LONG-TERM DEBT

Revolving Credit Facility. On April 9, 2015, the Company obtained a new $30.0 million revolving credit facility with JPMorgan Chase Bank, N.A. serving as Administrative Agent and Lender (the "Revolving Credit Facility"), which includes an accordion feature whereby loan commitments available under the facility could be increased in the future by an additional $20.0 million, subject to lender approval. The Revolving Credit Facility is available to finance working capital requirements and for general corporate purposes. The Revolving Credit Facility matures on April 9, 2018, and is secured by all of the assets of the Company, except for real estate. The Company has agreed not to pledge its real estate as collateral to any other party. The amount available for borrowing at any given time under the Revolving Credit Facility is determined by a formula based on the current outstanding loan balance, the amount of the Company's eligible outstanding accounts receivable and the carrying value of its eligible inventories, subject to additional reserves. Interest on outstanding loans equates to the one-month London Interbank Offered Rate ("LIBOR") interest rate plus an applicable margin of 2.00%. All loan interest rates increase by an additional 2.00% margin if the credit agreement is in default status. The Company pays a commitment fee on the unused portion of the Revolving Credit Facility ranging from 0.2% to 0.6%, as defined, which is included in interest expense in the accompanying statements of comprehensive income. The Revolving Credit Facility places restrictions on the Company including limitations on its ability to incur indebtedness, liens, restricted payments and asset sales. Other restricted payments, including dividends, are subject to certain conditions, including undrawn availability under the revolver and the Company's pro forma fixed charge coverage ratio, as defined. In addition, the Company is subject to various covenants under the Revolving Credit Facility, as defined. As of December 31, 2016 and 2015, the Company had no outstanding borrowings on the Revolving Credit Facility and as of December 31, 2016 had $16.2 million of borrowing capacity.

3. DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Derivative instruments are classified as either assets or liabilities based on their individual fair values. Derivative assets and liabilities are included in derivative assets and derivative liabilities, respectively, in the accompanying balance sheets. For the years ended December 31, 2016 and 2015, the Company had not designated any of its derivative activities as hedging instruments. The fair values of the Company's derivative instruments as of December 31 were as follows (in thousands):

	2016		2015	
	Derivative Asset	**Derivative Liability**	**Derivative Asset**	**Derivative Liability**
Exchange-traded commodity swap, options and future contracts:				
Corn	$ 639	$ 997	$ 802	$ 1,030
Natural gas	320	–	–	90
Ethanol	486	3	1	195
	$ 1,445	$ 1,000	$ 803	$ 1,315

The Company recognized gains (losses) on derivative instruments for the periods ended December 31 as follows (in thousands):

	Derivative Gains (Losses), net	
	2016	2015
Exchange-traded commodity swap, future contracts and options:		
Corn	$ (64)	$ 418
Natural gas	294	(628)
Ethanol	681	(1,041)
	$ 911	$ (1,251)

The Company enters and settles positions in various exchange traded commodity swap, future contracts, and options (primarily corn, ethanol, and natural gas) to offset its net commodity market exposure on raw material and finished goods inventory balances and forward purchase and sales commitments.

4. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity.

The Company's financial assets and liabilities as of December 31, that are measured at fair value on a recurring basis were as follows (in thousands):

2016	Level 1	Level 2	Level 3
ASSETS			
Derivative instruments	$ 1,445	$ –	$ –
LIABILITIES			
Derivative instruments	1,000	–	–
2015			
ASSETS			
Derivative instruments	$ 803	$ –	$ –
LIABILITIES			
Derivative instruments	1,315	–	–

The carrying value of cash, restricted cash and margin deposits approximates fair value due to the short maturity of these instruments.

5. BENEFIT PLANS

Savings Plan. The Company provides a defined contribution plan to its employees (the "Savings Plan"). The Company's contribution to the Savings Plan is limited to 6% of an eligible employee's salary, regardless of their contribution to the plan. For the years ended December 31, 2016 and 2015, the Company's Savings Plan costs were $0.2 million and $0.2 million, respectively.

Postretirement Benefit Plan. During 2010, the Company established a contributory qualified postretirement benefit plan (the "Benefit Plan") that provides certain medical benefits, including prescription drug coverage, to certain eligible retired employees. Contributions are adjusted annually and the plan contains fixed deductibles, coinsurance, and out-of-pocket limitations. Effective April 11, 2011, the Company and its labor union agreed to a new contract that resulted in a reduction in the number of employees eligible for the Benefit Plan.

The Benefit Plan's liabilities are unfunded as it is the Company's policy to fund benefits payable as they are due. As of December 31, 2016, three retirees are active in the Benefit Plan. The Company's measurement date for the Benefit Plan is December 31.

The change in the accumulated benefit obligation for the Benefit Plan for the years ended December 31 was as follows (in thousands):

	Accumulated Benefit Obligation			
	2016		2015	
Beginning of Year	$	139	$	182
Service cost		1		2
Interest cost		2		3
Actuarial loss		26		(40)
Net benefits paid		(33)		(8)
End of Year	$	135	$	139

In order to estimate the Company's accumulated benefit obligation, it makes certain assumptions. The accumulated benefit obligation as of December 31, 2016 and 2015, assumed a discount rate of 1.71% and 1.81%, respectively.

The components of net periodic benefit cost for the Benefit Plan for the years ended December 31, included in selling, general and administrative expenses in the accompanying statements of comprehensive income, were as follows (in thousands):

	Net Periodic Benefit Cost			
	2016		2015	
Service cost	$	1	$	1
Interest cost		2		3
Amortization of unrecognized prior service cost		–		4
Recognition of actuarial gain		(20)		–
	$	(17)	$	8

In order to estimate the Company's net periodic benefit cost, it makes certain assumptions. The net periodic benefit cost for the years ended December 31, 2016 and 2015, assumed discount rates of 1.81% and 1.65%, respectively, a healthcare cost trend rate of 7.0% and 8.0%, respectively, and an ultimate healthcare cost trend rate of 5.0% and 5.5%, respectively. The Company further assumed the healthcare cost trend rate would be achieved in 2023. A one-percentage-point increase or decrease in the assumed healthcare cost trend rate as of December 31, 2016 and 2015, would not have had a material impact on the accumulated benefit obligation or the service and interest cost.

The Company further assumed the average service time to full eligibility was approximately five years and is amortizing its unrecognized prior service cost over that period.

The amount of expected benefits to be paid, net of retiree contributions, as of December 31, 2016, was as follows (in thousands):

2017	$	57
2018		40
2019		34
2020		9
	$	140

6. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2016 and 2015, $27.7 million, or 15.6%, and $38.9 million, or 23.3%, respectively, of the Company's net sales were to the MGP. During the years ending December 31, 2016 and 2015, the Company also purchased $3.9 million and $5.3 million, respectively, of transportation services from certain SEACOR subsidiaries. In addition, in each of the years ended December 31, 2016 and 2015, the Company paid $0.2 million to SEACOR for certain information technology services.

7. COMMITMENTS AND CONTINGENCIES

As of December 31, 2016 and 2015, the Company had purchase commitments of $26.6 million and $9.1 million, respectively, for raw materials, primarily corn, and services for use in its manufacturing process.

On July 22, 2014, the Company experienced an electricity disruption that caused significant damage to two boilers disrupting the Company's ability to operate its manufacturing facility. During the year ended December 31, 2015, the Company filed a business interruption insurance claim and received $4.1 million of proceeds, which is included in other income in the accompanying statement of comprehensive income.

As of December 31, 2016, the Company had 72 employees, 39 of whom are covered by a collective bargaining agreement with one labor union that will expire October 31, 2021. The labor contract that covers substantially all of the non-management employees at the Company's manufacturing plant addresses predetermined wage escalation over the life of the agreement, the Company's contribution to its 401(k) plan and addresses other general work rule provisions.

In the normal course of its business, the Company may become involved in various litigation matters or be the subject of administrative or regulatory reviews and inspections by governmental or quasi-governmental authorities. Management uses estimates in determining the Company's possible exposure and may record reserves in its financial statements related to these claims when appropriate. It is possible that a change in the Company's estimates of such exposure could occur, but the Company does not expect such changes in estimated costs will have a material effect on the Company's financial position, its results of operations or its cash flows.

Exhibit 99.2

FINANCIAL STATEMENTS

Illinois Corn Processing, LLC (a Limited Liability Company)
Years Ended December 31, 2015 and 2014
With Report of Independent Auditors

Illinois Corn Processing, LLC
(a Limited Liability Company)

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Report of Independent Auditors

The Board of Advisors
Illinois Corn Processing, LLC

We have audited the accompanying financial statements of Illinois Corn Processing, LLC, which comprise the balance sheets as of December 31, 2015 and 2014, and the related statements of comprehensive income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Illinois Corn Processing, LLC at December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

March 24, 2016

Illinois Corn Processing, LLC
(a Limited Liability Company)

Balance Sheets
(in thousands)

	December 31	
	2015	**2014**
ASSETS		
Current Assets:		
Cash	$ 20,616	$ 11,319
Restricted cash	410	300
Margin deposits	1,596	1,308
Trade receivables:		
Due from affiliates	2,385	3,333
Due from nonaffiliates, net of allowance for doubtful accounts of $0 in 2015 and $3 in 2014	4,679	6,986
Deposits	54	233
Inventories	18,574	11,170
Derivative assets	803	1,501
Prepaid expenses	151	101
Total current assets	49,268	36,251
Property and Equipment:		
Historical Cost	45,434	40,722
Accumulated depreciation	(25,782)	(23,148)
Net property and equipment	19,652	17,574
Debt issuance costs	213	–
	$ 69,133	$ 53,825
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Accounts payable:		
Due to affiliates	$ 571	$ 1,001
Due to nonaffiliates	5,711	5,204
Accrued wages and benefits	687	1,066
Accrued property taxes	106	130
Brokerage account balance	–	139
Derivative liabilities	1,315	1,966
Total current liabilities	8,390	9,506
Postretirement liabilities	139	182
Total liabilities	8,529	9,688
Members' equity:		
Contributed capital	33,000	33,000
Accumulated earnings	27,550	11,127
Accumulated other comprehensive income	54	10
Total members' equity	60,604	44,137
	$ 69,133	$ 53,825

See accompanying notes to financial statements.

Illinois Corn Processing, LLC
(a Limited Liability Company)

Statements of Comprehensive Income
(in thousands)

	For the years ended December 31	
	2015	**2014**
Net Sales	$ 166,905	$ 236,294
Cost of Sales (exclusive of depreciation shown separately below):		
Finished goods	143,967	187,784
Derivative gains (losses), net	1,251	3,777
	145,218	191,561
Gross profit (exclusive of depreciation shown separately below)	21,687	44,733
Selling, General and Administrative Expenses	2,191	2,137
Depreciation	2,634	2,847
Operating Income	16,862	39,749
Other Income	4,112	193
Interest Expense:		
SEACOR	–	(221)
Nonaffiliates	(160)	(14)
Net Income	20,814	39,707
Gain on Postretirement Benefits	44	27
Comprehensive Income	$ 20,858	$ 39,734

See accompanying notes to financial statements.

Illinois Corn Processing, LLC
(a Limited Liability Company)

Statements of Changes in Members' Equity
(in thousands)

	Contributed Capital	Accumulated Earnings (Deficit)	Accumulated Other Comprehensive Income (Loss)	Total
December 31, 2013	$ 33,000	$ (10,580)	$ (17)	$ 22,403
Net income	–	39,707	–	39,707
Dividends paid to members	–	(18,000)	–	(18,000)
Postretirement benefit obligation	–	–	27	27
December 31, 2014	33,000	11,127	10	44,137
Net income	–	20,814	–	20,814
Dividends paid to members	–	(4,391)	–	(4,391)
Postretirement benefit obligation	–	–	44	44
December 31, 2015	$ 33,000	$ 27,550	$ 54	$ 60,604

See accompanying notes to financial statements.

Illinois Corn Processing, LLC
(a Limited Liability Company)

Statements of Cash Flows
(in thousands)

	For the years ended December 31	
	2015	**2014**
Cash Flows from Operating Activities:		
Net income	$ 20,814	$ 39,707
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,634	2,847
Amortization of debt issuance costs	71	–
Postretirement benefit expense	8	11
Contributions to postretirement benefit plan	(7)	–
Derivative losses, net	1,251	3,777
Cash settlements on derivative transactions, net	(1,344)	(3,863)
Changes in operating assets and liabilities:		
Margin deposits	(288)	(582)
Accounts receivable	3,255	(5,424)
Inventories	(7,404)	4,914
Prepaid expenses and deposits	129	(46)
Accounts payable and accrued expenses	(325)	878
Net cash provided by operating activities	18,794	42,219
Cash Flows from Investing Activities:		
Purchases of property and equipment	(4,712)	(3,062)
Increase in restricted cash	(110)	(300)
Net cash used in investing activities	(4,822)	(3,362)
Cash Flows from Financing Activities:		
Debt issuance costs	(284)	–
Dividend payments to members	(4,391)	(18,000)
Principal payments on SEACOR term loan	–	(2,521)
Proceeds from SEACOR revolving credit facility	–	25,700
Principal payments on SEACOR revolving credit facility	–	(33,600)
Net cash used in financing activities	(4,675)	(28,421)
Net Increase in Cash	9,297	10,436
Cash, Beginning of Year	11,319	883
Cash, End of Year	$ 20,616	$ 11,319
Supplemental Information:		
Interest paid	$ 79	$ 356

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES

Nature of Operations. Illinois Corn Processing LLC (the "Company"), a Delaware limited liability company, consists of two members, Illinois Corn Processing Holdings, Inc. ("ICPH") and MGPI Processing, Inc. ("MGPI"). ICPH is a wholly owned subsidiary of SEACOR Energy Group Inc. (along with its controlled and consolidated subsidiaries being a wholly owned subsidiary of SEACOR Holdings, Inc., collectively referred to as "SEACOR"). MGPI is a wholly owned subsidiary of MGP Ingredients, Inc. (along with its controlled and consolidated subsidiaries collectively referred to as MGP). The Company was formed on November 20, 2009, through MGPI's contribution of a previously idled manufacturing plant in Pekin, IL, and the sale of a 50% interest to SEACOR for $15.0 million in cash.

At inception, SEACOR provided funding to the Company through a term loan and a revolving credit facility subject to certain borrowing restrictions, both of which were secured by all of the assets of the Company (see Note 2).

On February 1, 2012, ICPH acquired an additional 20% equity interest in the Company from MGPI for $9.1 million. Pursuant to the Limited Liability Company agreement entered into on November 20, 2009, between ICPH and MGPI ("LLC Agreement"), the purchase price was based on a predetermined enterprise value of the Company plus capital improvements made since inception. Following this transaction, ICPH owns 70% of the Company. These financial statements do not reflect push- down purchase accounting activity for ICPH's acquisition to obtain a controlling interest in the Company. Capital contributions, distributions, and allocations of net income or loss are made based on each member's proportionate share of ownership, with certain exceptions, and the liability of the members is limited to their investment in the Company.

The Company is in the business of manufacturing alcohol for beverage, industrial, and fuel applications. During the years ended December 31, 2015 and 2014, the Company sold certain alcohol finished goods to MGP and also sold alcohol finished goods to other unrelated third parties. Certain co-products and byproducts of the manufacturing process are also sold to other unrelated third parties.

The LLC Agreement contains certain covenants including, among others, a provision that does not allow the Company to incur three consecutive fiscal quarters of losses, as defined, equaling or exceeding $1.5 million in the aggregate; or at any time allow the Company's net working capital to be less than $2.5 million. In the event of noncompliance with these covenants, MGPI or ICPH would have the unilateral right to shut down the plant, which could result in a default on the Company's Revolving Credit Facility (see Note 2).

Also in accordance with the LLC Agreement, either member (the "Electing Party") has the right to elect a shutdown of the Pekin plant if the Company incurs a quarterly loss, as defined, in excess of $0.5 million; however, the other member has the right to object to the shutdown election and continue operations of the plant. The Electing Party has the right but not the obligation to withdraw its shutdown election at the beginning of each subsequent quarter. Effective April 1, 2013, MGPI elected to shut down the Pekin plant in accordance with the provisions of the LLC Agreement. ICPH objected to the shutdown, thereby keeping the plant operational. On April 1, 2014, MGPI withdrew its shutdown election. As a consequence of the shutdown election, in accordance with the Company's LLC agreement, the Company's EBITDA was allocated to MGPI and ICPH at 20% and 80%, respectively, during the shutdown election period. The earnings allocation between MGPI and ICPH reverted to 30% and 70%, respectively, after the withdrawal of the shutdown election. As a result of the disproportional allocation of EBITDA during the shutdown election period as of December 31, 2014, ICPH and MGPI members' equity balances represented 72% and 28%, respectively, of total equity. On April 1, 2015, the Company made a disproportionate distribution of $4.4 million to ICPH, which resulted in the members' capital account to equal their respective ownership.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include those related to the allowance for doubtful accounts, impairments, certain accrued liabilities, and postretirement benefit obligations. Actual results could differ from those estimates and those differences may be material.

Subsequent Events. On February 26, 2016, the Company paid an $11.0 million cash dividend to its members. The Company has performed an evaluation of subsequent events through March 24, 2016, the date the financial statements were available to be issued.

Revenue Recognition. The Company recognizes revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met. The Company earns revenues from the sale of alcohol, co-products, and byproducts. Revenues and related costs from these sales are recorded when title transfers to the buyer.

Shipping Costs. The sales price for certain of the Company's products includes a component for the shipment of the product on behalf of its customers. The costs related to these shipments are included in cost of goods sold in the accompanying statements of comprehensive income.

Trade Receivables. The Company's customers primarily are petrochemical, agricultural and industrial companies. Customers are granted credit on a short-term basis and credit risks are considered minimal. The Company routinely reviews its trade receivables and makes provisions for doubtful accounts based on existing customer and economic conditions; however, those provisions are estimates and actual results could differ from those estimates, and those differences may be material. Trade receivables are deemed uncollectible and removed from accounts receivable and the allowance for doubtful accounts when collection efforts have been exhausted.

Restricted Cash. **T**he Company is a self-directing customer of the Natural Gas Energy Efficiency Program, a state of Illinois excise tax program that funds natural gas energy efficiency projects. Under this state regulation, the Company reserves two-percent of its natural gas costs incurred, not to exceed $150,000 per fiscal year. These restricted funds are held by the Company to fund internal capital expenditure projects designed to reduce consumption of natural gas by the Company. As of December 31, 2015 and 2014, the Company had $0.4 million and $0.3 million, respectively, of restricted cash to fund future energy efficiency projects. The Company must either use these funds toward natural gas energy efficiency projects within three years of designation or remit them as a tax payment to the state of Illinois.

Margin Deposits. The Company's margin deposits consist of cash on deposit with its futures commission merchant in support of its open derivative contracts (see Note 3). The amount of margin deposit required to be maintained is based on the number of open derivative contracts and their underlying fair value.

Inventories. Inventories are stated at the lower of cost (using the average cost method) or market. Inventories consist of finished goods (alcohol and dried distillers grains with solubles (DDGS) and raw materials in the form of agricultural commodities used in the production process.

The Company's inventories at December 31 consisted of the following (in thousands):

	2015	2014
Raw materials	$ 2,198	$ 2,106
Finished goods	14,907	7,332
Work in process	1,469	1,732
	$ 18,574	$ 11,170

Derivative Instruments. The Company accounts for derivatives through the use of a fair value concept whereby all of the Company's derivative positions are stated at fair value in the accompanying balance sheets. Realized and unrealized gains and losses on derivatives are reported in the accompanying statements of comprehensive income as derivative losses, net. As of December 31, 2015 and 2014, the Company had not designated any of its derivative instruments as hedges. Forward commodity purchase and sales contracts entered into by the company are not marked to fair value, as such contracts meet the normal purchases and sales exception under accounting principles generally accepted in the United States.

Brokerage Account Balance. The Company's brokerage account balance as of December 31, 2014, represents the net margin call balance due.

Concentrations of Credit Risk. The Company is exposed to concentrations of credit risk associated with its cash, restricted cash, margin deposits, raw material purchase commitments, and derivative instruments. The Company minimizes its credit risk relating to these positions by monitoring the financial condition of the financial institutions and counterparties involved and by primarily conducting business with large, well-established financial institutions and diversifying its counterparties. Derivatives instruments counterparty risk is supported by margin deposits maintained by the futures commission merchant. The Company does not currently anticipate nonperformance by any of its significant counterparties. The Company is also exposed to concentrations of credit risk relating to its receivables due from customers as described above. The Company does not generally require collateral or other security to support its outstanding receivables. The Company minimizes its credit risk relating to receivables by performing ongoing credit evaluations and, to date, credit losses have not been material.

For the year ended December 31, 2015, three companies, Archer Daniels Midland Company, Alcotra North America, Inc., and MGP, each represented more than 10% of the Company's revenues. For the year ended December 31, 2014, four companies, Archer Daniels Midland Company, Alcotra North America, Inc., Marathon Petroleum Corporation and MGP, each represented more than 10% of the Company's revenues. The loss of one or more of these companies could have a material adverse effect on the Company's financial position, results of operations, or cash flows.

Property and Equipment. Equipment, stated at cost, is depreciated using the straight line method over the estimated useful life of the asset to an estimated salvage value.

The estimated useful life (in years) of each of the Company's major asset classes was as follows:

Warehouse, buildings, and improvements	20
Machinery and equipment	3–10

The Company's major classes of property and equipment as of December 31 were as follows (in thousands):

	2015	2014
Land	$ 1,100	$ 1,100
Warehouses, buildings, and improvements	3,534	3,534
Machinery and equipment	35,370	35,370
Construction in progress	5,430	718
	$ 45,434	$ 40,722

Depreciation expense totaled $2.6 million and $2.8 million for the years ended December 31, 2015 and 2014, respectively. Equipment maintenance and repair costs are expensed as incurred.

Impairment of Long-Lived Assets. The Company performs an impairment analysis of long-lived assets used in operations when indicators of impairment are present. If the carrying values of the assets are not recoverable, as determined by the estimated undiscounted cash flows, the carrying values of the assets are reduced to fair value. Generally, fair value is determined using valuation techniques, such as expected discounted cash flows or appraisals, as appropriate. During the years ended December 31, 2015 and 2014, the Company recognized no impairment charges related to long-lived assets held for use.

Debt Issuance Costs. Debt issuance costs are amortized over the life of the related debt using the straight line method and are included in interest expense in the accompanying statements of comprehensive income.

Income Taxes. The income or loss of the Company is included in the taxable income or loss of its individual members, and therefore, no provision for income taxes is included in the accompanying financial statements.

Postretirement Benefit Plan. The Company sponsors a postretirement benefit plan that provides medical benefits to certain retired employees (see Note 5). The Company annually measures the obligation for this plan at year end using actuarial techniques that reflect management's assumptions for certain factors that impact the determination of the obligation and recognizes an asset or liability in the accompanying balance sheets based on the funded status of the plan. The Company's obligation under this plan was unfunded as of December 31, 2015 and 2014.

New Accounting Pronouncements. On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States. The core principal of the new standard is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard is effective for annual and interim periods beginning after December 15, 2018 and early adoption is permitted. The Company has not yet selected the method of adoption or determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On April 7, 2015, the FASB issued final guidance to simplify the presentation of debt issuance costs by requiring debt issuance costs related to a recognized debt liability to be presented in the balance sheet as a direct deduction from the debt liability rather than as an asset. The recognition and measurement guidance for debt issuance costs have not changed. The new standard requires retrospective application and represents a change in accounting principle. The final guidance is effective for annual and interim periods beginning after December 15, 2015 and early adoption is permitted.

Reclassifications. Certain reclassifications of prior period information have been made to conform with the presentation of the current period information.

2. LONG-TERM DEBT

Revolving Credit Facility. On April 9, 2015, the Company obtained a new $30.0 million revolving credit facility with JPMorgan Chase Bank, N.A. serving as Administrative Agent and Lender (the "Revolving Credit Facility"), which includes an accordion feature whereby loan commitments available under the facility could be increased in the future by an additional $20.0 million, subject to lender approval. The Revolving Credit Facility is available to finance working capital requirements and for general corporate purposes. The Revolving Credit Facility matures on April 9, 2018, and is secured by all of the assets of the Company, except for real estate. The Company has agreed not to pledge its real estate as collateral to any other party. The amount available for borrowing at any given time under the Revolving Credit Facility is determined by a formula based on the current outstanding loan balance, the amount of the Company's eligible outstanding accounts receivable and the carrying value of its eligible inventories, subject to additional reserves. Interest on outstanding loans equates to the one-month London Interbank Offered Rate ("LIBOR") interest rate plus an applicable margin of 2.00%. All loan interest rates increase by an additional 2.00% margin if the credit agreement is in default status. The Company pays a commitment fee on the unused portion of the Revolving Credit Facility ranging from 0.2% to 0.6%, as defined, which is included in interest expense in the accompanying statements of comprehensive income. The Revolving Credit Facility places restrictions on the Company including limitations on its ability to incur indebtedness, liens, restricted payments and asset sales. Other restricted payments, including dividends, are subject to certain conditions, including undrawn availability under the revolver and the Company's pro forma fixed charge coverage ratio, as defined. In addition, the Company is subject to various covenants under the Revolving Credit Facility, as defined. Simultaneous with the execution of the Chase Revolver, the Company terminated its $15.0 million amended and restated revolving credit facility with SEACOR, which would have matured January 31, 2016. As of December 31, 2015, the Company had no outstanding borrowings on the Revolving Credit Facility and had $19.7 million of borrowing capacity.

Revolving Credit Facility due to SEACOR. Upon formation of the Company, SEACOR provided funding to the Company through a $20.0 million revolving credit facility (the "Revolver") with a maturity in November 2012, subject to certain borrowing restrictions and secured by all of the Company's assets. On February 27, 2012, the Company and SEACOR amended the Revolver to extend the maturity to January 1, 2013. Interest on the Revolver was equal to the 30-day LIBOR plus an applicable margin of 550 basis points and reset monthly. Interest increased by an additional six percent per annum while the credit facility was in default status. Upon declaring an event of default in January 2013, SEACOR continued to provide funding to the Company under the terms of the Revolver, while maintaining its legal rights related to the event of default. As a result, the Company paid a default interest rate on the Term Loan debt during the default period. On April 24, 2014, SEACOR provided the Company with a waiver of all Revolver defaults, and simultaneously executed an amended and restated Revolver with the Company, which reduced the size of the facility to $15.0 million, and extended the maturity to January 31, 2016. The Revolver was terminated on April 9, 2015, in conjunction with the Company obtaining its Revolving Credit Facility. During the year ended December 31, 2014, the Company made net payments of $7.9 million.

Term Loan Due to SEACOR. Upon formation of the Company, SEACOR also provided funding to the Company through a $10.0 million term loan (the "Term Loan") with a maturity in November 2014, secured by all of the Company's assets. Interest on the Term Loan was equal to the 30-day LIBOR plus an applicable margin of 550 basis points and reset monthly. Interest increased by an additional six percent per annum if the term loan was in default status. In conjunction with an event of default regarding the Company's revolving credit facility in January 2013, the Term Loan was also declared in default due to a cross- default provision. As a result, the Company paid a default interest rate on the Term Loan debt during the default period. During the year ended December 31, 2014, the Company repaid the Term Loan in full.

3. DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Derivative instruments are classified as either assets or liabilities based on their individual fair values. Derivative assets and liabilities are included in derivative assets and derivative liabilities, respectively, in the accompanying balance sheets. For the years ended December 31, 2015 and 2014, the Company had not designated any of its derivative activities as hedging instruments. The fair values of the Company's derivative instruments as of December 31 were as follows (in thousands):

	2015		2014	
	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
Exchange-traded commodity swap, options and future contracts:				
Corn	$ 802	$ 1,030	$ 1,426	$ 541
Natural gas	–	90	–	864
Ethanol	1	195	75	561
	$ 803	$ 1,315	$ 1,501	$ 1,966

The Company recognized gains (losses) on derivative instruments for the periods ended December 31 as follows (in thousands):

	Derivative Gains (Losses), net	
	2015	2014
Exchange-traded commodity swap, future contracts and options:		
Corn	$ 418	$ 138
Natural gas	(628)	(1,078)
Ethanol	(1,041)	(2,837)
	$ (1,251)	$ (3,777)

The Company enters and settles positions in various exchange traded commodity swap, future contracts, and options (primarily corn, ethanol, and natural gas) to offset its net commodity market exposure on raw material and finished goods inventory balances and forward purchase and sales commitments.

4. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity.

The Company's financial assets and liabilities as of December 31, that are measured at fair value on a recurring basis were as follows (in thousands):

2015	Level 1	Level 2	Level 3
ASSETS			
Derivative instruments	$ 803	$ –	$ –
LIABILITIES			
Derivative instruments	1,315	–	–
2014			
ASSETS			
Derivative instruments	$ 1,501	$ –	$ –
LIABILITIES			
Derivative instruments	1,966	–	–

The carrying value of cash, restricted cash and margin deposits approximates fair value due to the short maturity of these instruments.

5. BENEFIT PLANS

Savings Plan. The Company provides a defined contribution plan to its employees (the "Savings Plan"). The Company's contribution to the Savings Plan is limited to 5% of an eligible employee's salary, regardless of their contribution to the plan. For the years ended December 31, 2015 and 2014, the Company's Savings Plan costs were $0.2 million and $0.2 million, respectively.

Postretirement Benefit Plan. During 2010, the Company established a contributory qualified postretirement benefit plan (the "Benefit Plan") that provides certain medical benefits, including prescription drug coverage, to certain eligible retired employees. Contributions are adjusted annually and the plan contains fixed deductibles, coinsurance, and out-of-pocket limitations. Effective April 11, 2011, the Company and its labor union agreed to a new contract that resulted in a reduction in the number of employees eligible for the Benefit Plan.

The Benefit Plan's liabilities are unfunded as it is the Company's policy to fund benefits payable as they are due. As of December 31, 2015, one retiree is active in the Benefit Plan. The Company's measurement date for the Benefit Plan is December 31.

The change in the accumulated benefit obligation for the Benefit Plan for the years ended December 31 was as follows (in thousands):

	Accumulated Benefit Obligation	
	2015	2014
Beginning of Year	$ 182	$ 198
Service cost	2	4
Interest cost	3	3
Actuarial loss	(40)	(23)
Net benefits paid	(8)	–
End of Year	$ 139	$ 182

In order to estimate the Company's accumulated benefit obligation, it makes certain assumptions. The accumulated benefit obligation as of December 31, 2015 and 2014, assumed a discount rate of 1.81% and 1.65%, respectively.

The components of net periodic benefit cost for the Benefit Plan for the years ended December 31, included in selling, general and administrative expenses in the accompanying statements of comprehensive income, were as follows (in thousands):

	Net Periodic Benefit Cost	
	2015	2014
Service cost	$ 1	$ 4
Interest cost	3	3
Amortization of unrecognized prior service cost	4	4
	$ 8	$ 11

In order to estimate the Company's net periodic benefit cost, it makes certain assumptions. The net periodic benefit cost for the years ended December 31, 2015 and 2014, assumed discount rates of 1.65% and 1.72%, respectively, a healthcare cost trend rate of 8.0% and 8.5%, respectively, and an ultimate healthcare cost trend rate of 5.5% and 5.0%, respectively. The Company further assumed the healthcare cost trend rate would be achieved in 2024. A one-percentage-point increase or decrease in the assumed healthcare cost trend rate as of December 31, 2015 and 2014, would not have had a material impact on the accumulated benefit obligation or the service and interest cost.

The Company further assumed the average service time to full eligibility was approximately five years and is amortizing its unrecognized prior service cost over that period.

The amount of expected benefits to be paid, net of retiree contributions, as of December 31, 2015, was as follows (in thousands):

2016	$ 30
2017	48
2018	32
2019	23
2020	8
2021-2025	3
	$ 144

6. RELATED PARTY TRANSACTIONS

The Company had various debt agreements with SEACOR (see Note 2). During the years ended December 31, 2015 and 2014, $38.9 million, or 23.3%, and $36.3 million, or 15.3%, respectively, of the Company's net sales were to the MGP. During the years ending December 31, 2015 and 2014, the Company also purchased $5.3 million and $6.4 million, respectively, of transportation services from certain SEACOR subsidiaries. In addition, during the year ended December 31, 2015, the Company paid $0.2 million to SEACOR for certain information technology services.

7. COMMITMENTS AND CONTINGENCIES

As of December 31, 2015 and 2014, the Company had purchase commitments of $9.1 million and $21.0 million, respectively, for raw materials, primarily corn, and services for use in its manufacturing process.

On July 22, 2014, the Company experienced an electricity disruption that caused significant damage to two boilers disrupting the Company's ability to operate its manufacturing facility. During the year ended December 31, 2015, the Company filed a business interruption insurance claim and received $4.1 million of proceeds, which is included in other income in the accompanying statement of comprehensive income.

On May 28, 2013, one of the Company’s tanks was struck by lightning causing an explosion and fire damaging the tank and surrounding structures and equipment disrupting the Company's ability to operate its manufacturing facility. During the year ended December 31, 2014, the Company filed a business interruption insurance claim and received $0.2 million of proceeds, which is included in other income in the accompanying statement of comprehensive income.

As of December 31, 2015, the Company had 74 employees, 45 of whom are covered by a collective bargaining agreement with one labor union that will expire October 31, 2016. The labor contract that covers substantially all of the non-management employees at the Company’s manufacturing plant addresses predetermined wage escalation over the life of the agreement, the Company’s contribution to its 401(k) plan and addresses other general work rule provisions.

In the normal course of its business, the Company may become involved in various litigation matters or be the subject of administrative or regulatory reviews and inspections by governmental or quasi-governmental authorities. Management uses estimates in determining the Company’s possible exposure and may record reserves in its financial statements related to these claims when appropriate. It is possible that a change in the Company’s estimates of such exposure could occur, but the Company does not expect such changes in estimated costs will have a material effect on the Company’s financial position, its results of operations or its cash flows.

Exhibit 99.3

FINANCIAL STATEMENTS

Illinois Corn Processing, LLC (a Limited Liability Company)
Three Months Ended March 31, 2017 and 2016
Unaudited

Illinois Corn Processing, LLC
(a Limited Liability Company)

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Illinois Corn Processing, LLC
(a Limited Liability Company)

Condensed Balance Sheets
(in thousands)

	March 31, 2017	December 31, 2016
ASSETS		
Current Assets:		
Cash	$ 26,849	$ 25,158
Restricted cash	300	264
Margin deposits	–	274
Trade receivables:		
Due from affiliates	2,864	3,423
Due from nonaffiliates, net of allowance for doubtful accounts of $0 in 2017 and 2016	3,646	7,212
Deposits	12	104
Inventories	12,913	11,133
Derivative assets	1,220	1,445
Prepaid expenses	1,304	70
Total current assets	49,108	49,083
Property and Equipment:		
Historical Cost	50,821	50,156
Accumulated depreciation	(29,670)	(28,811)
Net property and equipment	21,151	21,345
Debt issuance costs	101	119
	$ 70,360	$ 70,547
LIABILITIES AND MEMBERS' EQUITY		
Current Liabilities:		
Accounts payable:		
Due to affiliates	$ 418	$ 393
Due to nonaffiliates	3,826	5,069
Accrued wages and benefits	463	729
Accrued property taxes	132	107
Brokerage account balance	180	–
Derivative liabilities	528	1,000
Total current liabilities	5,547	7,298
Postretirement liabilities	135	135
Total liabilities	5,682	7,433
Members’ equity:		
Contributed capital	33,000	33,000
Accumulated earnings	31,676	30,106
Accumulated other comprehensive income	2	8
Total members’ equity	64,678	63,114
	$ 70,360	$ 70,547

See accompanying notes to financial statements.

Illinois Corn Processing, LLC
(a Limited Liability Company)

Condensed Statements of
Comprehensive Income
(in thousands)

	For the three months ended March 31	
	2017	**2016**
Net Sales	$ 38,385	$ 49,609
Cost of Sales (exclusive of depreciation shown separately below):		
Finished goods	36,101	46,289
Derivative (gains) losses, net	(334)	187
	35,767	46,476
Gross profit (exclusive of depreciation shown separately below)	2,618	3,133
Selling, General and Administrative Expenses	738	655
Depreciation	858	735
Operating Income	1,022	1,743
Other Income (Expense)	615	–
Interest Expense	(64)	(24)
Net Income	1,573	1,719
Gain (Loss) on Postretirement Benefits	(2)	4
Comprehensive Income	$ 1,571	$ 1,723

See accompanying notes to financial statements.

Illinois Corn Processing, LLC
(a Limited Liability Company)

Condensed Statements of Cash Flows
(in thousands)

	For the three months ended March 31	
	2017	**2016**
Cash Flows from Operating Activities:		
Net income	$ 1,571	$ 1,723
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	858	736
Amortization of debt issuance costs	18	24
Postretirement benefit expense	2	(4)
Contributions to postretirement benefit plan	(9)	(12)
Derivative (gains) losses, net	(248)	702
Changes in operating assets and liabilities:		
Margin deposits	274	132
Accounts receivable	4,124	68
Inventories	(1,779)	5,249
Prepaid expenses and deposits	(1,142)	(570)
Accounts payable and accrued expenses	(1,278)	63
Net cash provided by operating activities	2,391	8,111
Cash Flows from Investing Activities:		
Purchases of property and equipment	(664)	(686)
Decrease (Increase) in restricted cash	(36)	(37)
Net cash used in investing activities	(700)	(723)
Cash Flows from Financing Activities:		
Dividend payments to members	–	(11,000)
Net cash used in financing activities	–	(11,000)
Net Increase in Cash	1,691	(3,612)
Cash, Beginning of Quarter	25,158	20,616
Cash, End of Quarter	$ 26,849	$ 17,004
Supplemental Information:		
Interest paid	$ –	$ –

See accompanying notes to financial statements.

1. NATURE OF OPERATIONS AND ACCOUNTING POLICIES

Nature of Operations. Illinois Corn Processing LLC (the "Company"), a Delaware limited liability company, consists of two members, Illinois Corn Processing Holdings, Inc. ("ICPH") and MGPI Processing, Inc. ("MGPI"). ICPH is a wholly owned subsidiary of SEACOR Holdings Inc. (along with its controlled and consolidated subsidiaries collectively referred to as "SEACOR"). MGPI is a wholly owned subsidiary of MGP Ingredients, Inc. (along with its controlled and consolidated subsidiaries collectively referred to as "MGP"). The Company was formed on November 20, 2009, through MGPI's contribution of a previously idled manufacturing plant in Pekin, IL, and the sale of a 50% interest to SEACOR for $15.0 million in cash. On February 1, 2012, ICPH acquired an additional 20% equity interest in the Company from MGPI for $9.1 million. Pursuant to the Limited Liability Company agreement entered into on November 20, 2009, between ICPH and MGPI (the "LLC Agreement"), the purchase price was based on a predetermined enterprise value of the Company plus capital improvements made since inception. Following this transaction, ICPH owns 70% of the Company.

These financial statements do not reflect push-down purchase accounting activity for ICPH's acquisition to obtain a controlling interest in the Company. Capital contributions, distributions, and allocations of net income or loss are made based on each member's proportionate share of ownership, with certain exceptions, and the liability of the members is limited to their investment in the Company.

The Company is in the business of manufacturing alcohol for beverage, industrial, and fuel applications. During the three months ended March 31, 2017 and 2016, the Company sold certain alcohol finished goods to MGP and also sold alcohol finished goods to other unrelated third parties. Certain co-products and byproducts of the manufacturing process are also sold to other unrelated third parties.

The LLC Agreement contains certain covenants including, among others, a provision that does not allow the Company to incur three consecutive fiscal quarters of losses, as defined, equaling or exceeding $1.5 million in the aggregate; or at any time allow the Company's net working capital to be less than $2.5 million. In the event of noncompliance with these covenants, MGPI or ICPH would have the unilateral right to shut down the plant, which could result in a default on the Company's Revolving Credit Facility (see Note 2).

Also in accordance with the LLC Agreement, either member (the "Electing Party") has the right to elect a shutdown of the Pekin plant if the Company incurs a quarterly loss, as defined, in excess of $0.5 million; however, the other member has the right to object to the shutdown election and continue operations of the plant. The Electing Party has the right but not the obligation to withdraw its shutdown election at the beginning of each subsequent quarter.

The preparation of the condensed financial statements in conformity with GAAP requires ICP to make estimates and assumptions that affect the amounts reported in the condensed financial statements and accompanying notes. These estimates are based on ICP's management team's knowledge of current events and actions that ICP may take in the future. Estimates, by their nature, are based on judgment and available information. Actual results could differ from those estimates.

The accompanying condensed financial statements presented herewith reflect all adjustments (consisting of only normal and recurring adjustments unless otherwise disclosed) which, in the opinion of ICP's management team, are necessary for a fair presentation of the results of operations for the three months ended March 31, 2017 and 2016. The results of operations for interim periods are not necessarily indicative of results to be expected for an entire year.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include those related to the allowance for doubtful accounts, impairments, certain accrued liabilities, and postretirement benefit obligations. Actual results could differ from those estimates and those differences may be material.

Subsequent Events. The Company has performed an evaluation of subsequent events through July 31, 2017, the date the financial statements were available to be issued.

Revenue Recognition. The Company recognizes revenue when it is realized or realizable and earned. Revenue is realized or realizable and earned when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue that does not meet these criteria is deferred until the criteria are met. The Company earns revenues from the sale of alcohol, co-products, and byproducts. Revenues and related costs from these sales are recorded when title transfers to the buyer.

Shipping Costs. The sales price for certain of the Company's products includes a component for the shipment of the product on behalf of its customers. The costs related to these shipments are included in cost of goods sold in the accompanying statements of comprehensive income.

Trade Receivables. The Company's customers primarily are petrochemical, agricultural and industrial companies. Customers are granted credit on a short-term basis and credit risks are considered minimal. The Company routinely reviews its trade receivables and makes provisions for doubtful accounts based on existing customer and economic conditions; however, those provisions are estimates and actual results could differ from those estimates, and those differences may be material. Trade receivables are deemed uncollectible and removed from accounts receivable and the allowance for doubtful accounts when collection efforts have been exhausted.

Restricted Cash. The Company is a self-directing customer of the Natural Gas Energy Efficiency Program, a state of Illinois excise tax program that funds natural gas energy efficiency projects. Under this state regulation, the Company reserves two-percent of its natural gas costs incurred, not to exceed $150,000 per fiscal year. These restricted funds are held by the Company to fund internal capital expenditure projects designed to reduce consumption of natural gas by the Company. As of March 31, 2017 and December 31, 2016, the Company had $0.3 million, of restricted cash to fund future energy efficiency projects. The Company must either use these funds toward natural gas energy efficiency projects within three years of designation or remit them as a tax payment to the state of Illinois.

Margin Deposits. The Company's margin deposits consist of cash on deposit with its futures commission merchant in support of its open derivative contracts (see Note 3). The amount of margin deposit required to be maintained is based on the number of open derivative contracts and their underlying fair value.

Inventories. Inventories are stated at the lower of cost (using the average cost method) or market. Inventories consist of finished goods (alcohol and dried distillers grains with solubles (DDGS) and raw materials in the form of agricultural commodities used in the production process.

The Company's inventories consisted of the following (in thousands):

	March 31, 2017	December 31, 2016
Raw materials	$ 1,849	$ 1,826
Finished goods	9,531	7,850
Work in process	1,533	1,457
	$ 12,913	$ 11,133

Derivative Instruments. The Company accounts for derivatives through the use of a fair value concept whereby all of the Company's derivative positions are stated at fair value in the accompanying balance sheets. Realized and unrealized gains and losses on derivatives are reported in the accompanying statements of comprehensive income as derivative losses, net. As of March 31, 2017 and December 31, 2016, the Company had not designated any of its derivative instruments as hedges. Forward commodity purchase and sales contracts entered into by the company are not marked to fair value, as such contracts meet the normal purchases and sales exception under accounting principles generally accepted in the United States.

Concentrations of Credit Risk. The Company is exposed to concentrations of credit risk associated with its cash, restricted cash, margin deposits, raw material purchase commitments, and derivative instruments. The Company minimizes its credit risk relating to these positions by monitoring the financial condition of the financial institutions and counterparties involved and by primarily conducting business with large, well-established financial institutions and diversifying its counterparties. Derivatives instruments counterparty risk is supported by margin deposits maintained by the futures commission merchant. The Company does not currently anticipate nonperformance by any of its significant counterparties. The Company is also exposed to concentrations of credit risk relating to its receivables due from customers as described above. The Company does not generally require collateral or other security to support its outstanding receivables. The Company minimizes its credit risk relating to receivables by performing ongoing credit evaluations and, to date, credit losses have not been material.

Property and Equipment. Equipment, stated at cost, is depreciated using the straight line method over the estimated useful life of the asset to an estimated salvage value.

Impairment of Long-Lived Assets. The Company performs an impairment analysis of long-lived assets used in operations, when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying values of the assets are not recoverable, as determined by the estimated undiscounted cash flows, the estimated fair value of the assets or asset groups are compared to their current carrying values and impairment charges are recorded if the carrying value exceeds fair value. The Company performs its testing on an asset or asset group basis. Generally, fair value is determined using valuation techniques, such as expected discounted cash flows or appraisals, as appropriate. During the three months ended March 31, 2017 and 2016, the Company recognized no impairment charges related to long-lived assets held for use.

Debt Issuance Costs. Debt issuance costs are amortized over the life of the related debt using the straight line method and are included in interest expense in the accompanying statements of comprehensive income.

Income Taxes. The income or loss of the Company is included in the taxable income or loss of its individual members, and therefore, no provision for income taxes is included in the accompanying financial statements.

Postretirement Benefit Plan. The Company sponsors a postretirement benefit plan that provides medical benefits to certain retired employees (see Note 5). The Company annually measures the obligation for this plan at year end using actuarial techniques that reflect management's assumptions for certain factors that impact the determination of the obligation and recognizes an asset or liability in the accompanying balance sheets based on the funded status of the plan. The Company's obligation under this plan was unfunded as of March 31, 2017 and December 31, 2016.

New Accounting Pronouncements. On May 28, 2014, the Financial Accounting Standards Board ("FASB") issued a comprehensive new revenue recognition standard that will supersede nearly all existing revenue recognition guidance under generally accepted accounting principles in the United States. The core principal of the new standard is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The new standard is effective for annual and interim periods beginning after December 15, 2018 and early adoption is permitted. The Company has not yet selected the method of adoption or determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On February 25, 2016, the FASB issued a comprehensive new leasing standard, which improves transparency and comparability among companies by requiring lessees to recognize a lease liability and a corresponding lease asset for virtually all lease contracts. It also requires additional disclosures about leasing arrangements. The new standard is effective for interim and annual periods beginning after December 15, 2019 and requires a modified retrospective approach to adoption. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On August 26, 2016, the FASB issued an amendment to the accounting standard which amends or clarifies guidance on classification of certain transactions in the statement of cash flows, including classification of proceeds from the settlement of insurance claims, debt prepayments, debt extinguishment costs and contingent consideration payments after a business combination. This new standard is effective for the Company as of January 1, 2018 and early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

On November 17, 2016, the FASB issued an amendment to the accounting standard which requires that restricted cash and restricted cash equivalents be included with cash and cash equivalents when reconciling the beginning-of-period and end-of- period total cash amounts shown on the statement of cash flows. The new standard is effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted. The Company has not yet determined what impact, if any, the adoption of the new standard will have on its consolidated financial position, results of operations or cash flows.

2. LONG-TERM DEBT

Revolving Credit Facility. On April 9, 2015, the Company obtained a new $30.0 million revolving credit facility with JPMorgan Chase Bank, N.A. serving as Administrative Agent and Lender (the "Revolving Credit Facility"), which includes an accordion feature whereby loan commitments available under the facility could be increased in the future by an additional $20.0 million, subject to lender approval. The Revolving Credit Facility is available to finance working capital requirements and for general corporate purposes. The Revolving Credit Facility matures on April 9, 2018, and is secured by all of the assets of the Company, except for real estate. The Company has agreed not to pledge its real estate as collateral to any other party. The amount available for borrowing at any given time under the Revolving Credit Facility is determined by a formula based on the current outstanding loan balance, the amount of the Company's eligible outstanding accounts receivable and the carrying value of its eligible inventories, subject to additional reserves. Interest on outstanding loans equates to the one-month London Interbank Offered Rate ("LIBOR") interest rate plus an applicable margin of 2.00%. All loan interest rates increase by an additional 2.00% margin if the credit agreement is in default status. The Company pays a commitment fee on the unused portion of the Revolving Credit Facility ranging from 0.2% to 0.6%, as defined, which is included in interest expense in the accompanying statements of comprehensive income. The Revolving Credit Facility places restrictions on the Company including limitations on its ability to incur indebtedness, liens, restricted payments and asset sales. Other restricted payments, including dividends, are subject to certain conditions, including undrawn availability under the revolver and the Company's pro forma fixed charge coverage ratio, as defined. In addition, the Company is subject to various covenants under the Revolving Credit Facility, as defined. As of March 31, 2017 and December 31, 2016, the Company had no outstanding borrowings on the Revolving Credit Facility and as of March 31, 2107 and December 31, 2016 had $14.6 million and $16.2 million of borrowing capacity, respectively. As discussed in Note 8, the Revolving Credit Facility was terminated on June 28, 2017.

3. DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Derivative instruments are classified as either assets or liabilities based on their individual fair values. Derivative assets and liabilities are included in derivative assets and derivative liabilities, respectively, in the accompanying balance sheets. As of March 31, 2017 and December 31, 2016, the Company had not designated any of its derivative activities as hedging instruments. The fair values of the Company's derivative instruments were as follows (in thousands):

	March 31, 2017		December 31, 2016	
	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
Exchange-traded commodity swap, options and future contracts:				
Corn	$ 834	$ 528	$ 639	$ 997
Natural gas	79	–	320	–
Ethanol	307	–	486	3
	$ 1,220	$ 528	$ 1,445	$ 1,000

The Company recognized gains (losses) on derivative instruments for the three months ended March 31 as follows (in thousands):

	Derivative Gains (Losses), net	
	2017	2016
Exchange-traded commodity swap, future contracts and options:		
Corn	$ 394	$ 110
Natural gas	(280)	(212)
Ethanol	220	(85)
	$ 334	$ (187)

The Company enters and settles positions in various exchange traded commodity swap, future contracts, and options (primarily corn, ethanol, and natural gas) to offset its net commodity market exposure on raw material and finished goods inventory balances and forward purchase and sales commitments.

4. FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity.

The Company's financial assets and liabilities as of March 31, 2017, that are measured at fair value on a recurring basis were as follows (in thousands):

	Level 1	Level 2	Level 3
ASSETS			
Derivative instruments	$ 1,220	$ –	$ –
LIABILITIES			
Derivative instruments	528	–	–

The Company's financial assets and liabilities as of December 31, 2016, that are measured at fair value on a recurring basis were as follows (in thousands):

	Level 1	Level 2	Level 3
ASSETS			
Derivative instruments	$ 1,445	$ –	$ –
LIABILITIES			
Derivative instruments	1,000	–	–

The carrying value of cash, restricted cash and margin deposits approximates fair value due to the short maturity of these instruments.

5. BENEFIT PLANS

Savings Plan. The Company provides a defined contribution plan to its employees (the "Savings Plan"). The Company's contribution to the Savings Plan is limited to 6% of an eligible employee's salary, regardless of their contribution to the plan. For the three months ended March 31, 2017 and 2016, the Company's Savings Plan costs were $0.1 million and $0.1 million, respectively.

Postretirement Benefit Plan. During 2010, the Company established a contributory qualified postretirement benefit plan (the "Benefit Plan") that provides certain medical benefits, including prescription drug coverage, to certain eligible retired employees. Contributions are adjusted annually and the plan contains fixed deductibles, coinsurance, and out-of-pocket limitations. Effective April 11, 2011, the Company and its labor union agreed to a new contract that resulted in a reduction in the number of employees eligible for the Benefit Plan.

The Benefit Plan's liabilities are unfunded as it is the Company's policy to fund benefits payable as they are due. As of March 31, 2017 and December 31, 2016, three retirees are active in the Benefit Plan. The Company's measurement date for the Benefit Plan is December 31.

The components of net periodic benefit cost for the Benefit Plan for the three months ended March 31, included in selling, general and administrative expenses in the accompanying statements of comprehensive income, were as follows (in thousands):

	Net Periodic Benefit Cost	
	2017	2016
Service cost	$ –	$ –
Interest cost	–	1
Amortization of unrecognized prior service cost	–	–
Recognition of actuarial gain	(–)	(5)
	$ (–)	$ (4)

6. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2017 and 2016, $8.7 million, or 22.6%, and $6.1 million, or 12.3%, respectively, of the Company's net sales were to the MGP. During the three months ending March 31, 2017 and 2016, the Company also purchased $0.9 million and $0.8 million, respectively, of transportation services from certain SEACOR subsidiaries. In addition, in each of the three months ended March 31, 2017 and 2016, the Company paid $0.1 million to SEACOR for certain information technology services.

7. COMMITMENTS AND CONTINGENCIES

As of March 31, 2017 and December 31, 2016, the Company had purchase commitments of $22.7 million and $26.6 million, respectively, for raw materials, primarily corn, and services for use in its manufacturing process. Furthermore, as of March 31, 2017 and December 31, 2016, the Company had commitments of $2.1 million and $2.1 million, respectively, for future capital additions.

In the normal course of its business, the Company may become involved in various litigation matters or be the subject of administrative or regulatory reviews and inspections by governmental or quasi-governmental authorities. Management uses estimates in determining the Company's possible exposure and may record reserves in its financial statements related to these claims when appropriate. It is possible that a change in the Company's estimates of such exposure could occur, but the Company does not expect such changes in estimated costs will have a material effect on the Company's financial position, its results of operations or its cash flows.

8. SUBSEQUENT EVENTS

In June 2017, the Company paid cash dividends totaling $24.8 million to its members.

On June 28, 2017, the Company terminated its $30.0 million revolving credit facility with JPMorgan Chase Bank, N.A. (see Note 2). Effective with the revolver termination, the bank released all security interests in all assets of the Company.

On June 26, 2017, ICPH and MGPI, (the "Sellers") and the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Pacific Ethanol Central, LLC, a subsidiary of Pacific Ethanol, Inc. ("Buyer"), and ICP Merger Sub, LLC, a wholly-owned subsidiary of Buyer ("Merger Sub"), pursuant to which, upon the terms and conditions set forth therein, (a) Merger Sub was subsequently merged with and into the Company (the "Merger") with the Company being the surviving company and Buyer becoming the sole owner of the Company, and (b) the Sellers' equity interests in the Company were converted into Sellers' right to receive their proportionate percentage (i.e., 70% for ICPH and 30% for MGPI) of merger consideration consisting of (i) $30.0 million in cash (the "Cash Consideration Amount") and (ii) secured promissory notes of Merger Sub (which, pursuant to the Merger became obligations of the Company) in the aggregate principal amount of $46.7 million, subject to a post-closing working capital adjustment. The obligations of the Company under the promissory notes are secured by the equity and substantially all of assets of the Company. The Closing Date of the transaction and the effective date of the Merger occurred on July 3, 2017, upon which date the Cash Consideration Amount was paid by the Buyer and the secured promissory notes were issued, subject to the aforementioned post-closing working capital adjustment.

Exhibit 99.4

UNAUDITED PRO FORMA
COMBINED CONDENSED FINANCIAL STATEMENTS

The unaudited pro forma combined condensed balance sheet as of March 31, 2017 is presented as if the merger had occurred as of March 31, 2017. The unaudited pro forma combined condensed statements of operations for the three months ended March 31, 2017 and year ended December 31, 2016 are presented as if the merger had occurred on January 1, 2016. The pro forma consolidated financial statements of Pacific Ethanol, Inc. and Illinois Corn Processing, LLC ("ICP") have been adjusted to reflect certain reclassifications in order to conform ICP's historical financial statement presentation to Pacific Ethanol's financial statement presentation for the combined company.

The unaudited pro forma combined condensed financial statements give effect to the merger under the acquisition method of accounting in accordance with Financial Accounting Standards Board Accounting Standard Topic 805, *Business Combinations*, which we refer to as ASC 805, with Pacific Ethanol treated as the acquirer. As of the date of this filing, Pacific Ethanol has not completed the detailed valuation work necessary to arrive at the required estimates of the fair value of the ICP assets acquired and the liabilities assumed and the related allocation of purchase price, nor has it identified all adjustments necessary to conform ICP's accounting policies to Pacific Ethanol's accounting policies. A final determination of the fair value of ICP's assets and liabilities, including intangible assets with both indefinite or finite lives, will be based on the actual net tangible and intangible assets and liabilities of ICP that exist as of the closing date of the merger on July 3, 2017. The value of the consideration paid by Pacific Ethanol has been based on the cash paid and promissory notes issued to the sellers upon closing. As a result of the foregoing, the pro forma adjustments are preliminary and are subject to change as additional information becomes available and as additional analyses are performed. The preliminary pro forma adjustments have been made solely for the purpose of presenting the unaudited pro forma combined condensed financial statements. Pacific Ethanol estimated the fair values of ICP's assets and liabilities as of March 31, 2017 which are based on preliminary valuation studies and due diligence. The final purchase price allocation may be different than that reflected in the pro forma purchase price allocation presented herein, and this difference may be material.

Assumptions and estimates underlying the unaudited adjustments to the pro forma combined condensed financial statements are described in the accompanying notes, which should be read in conjunction with the unaudited pro forma combined condensed financial statements. The historical consolidated financial statements have been adjusted in the unaudited pro forma combined condensed financial statements to give effect to pro forma events that are: (1) directly attributable to the merger; (2) factually supportable; and (3) with respect to the unaudited pro forma combined condensed statements of operations, expected to have a continuing impact on the combined results of Pacific Ethanol and ICP following the merger.

In connection with the plan to integrate the operations of Pacific Ethanol and ICP, Pacific Ethanol anticipates that non-recurring charges, such as costs associated with systems implementation, relocation expenses, severance and other costs related to closing the transaction, will be incurred. Pacific Ethanol is not able to determine the timing, nature and amount of these charges as of the date of this filing. However, these charges could affect the combined results of operations of Pacific Ethanol and ICP, as well as those of the combined company following the merger, in the period in which they are recorded. The unaudited pro forma combined condensed financial statements do not include the effects of the costs associated with any restructuring or integration activities resulting from the transaction, as they are non-recurring in nature and not factually supportable at the time that the unaudited pro forma combined condensed financial statements were prepared. Additionally, these adjustments do not give effect to any synergies that may be realized as a result of the merger, nor do they give effect to any nonrecurring or unusual restructuring charges that may be incurred as a result of the integration of the two companies.

UNAUDITED PRO FORMA COMBINED CONDENSED BALANCE SHEETS
OF PACIFIC ETHANOL AND ICP
As of March 31, 2017
(in thousands)

	Historical PEI	Historical ICP	Pro Forma Adjustments	Notes	Pro Forma Amounts
Cash and Equivalents	$ 73,734	$ 26,849	$ (30,000)	(a)	$ 70,583
Accounts Receivable, net	64,018	6,810	–		70,828
Inventories	58,045	12,913	–		70,958
Prepaid Inventory	7,913	–	–		7,913
Other current assets	9,554	2,536	–		12,090
Total Current Assets	213,264	49,108	(30,000)		232,372
Property and Equipment, net	460,192	21,151	12,017	(b)	493,360
Intangible Assets	2,678	–	–		2,678
Other assets	5,620	101	–		5,721
Total Other Assets	8,298	101	–		8,399
			–		
Total Assets	$ 681,754	$ 70,360	$ (17,983)		$ 734,131
Accounts Payable, trade	$ 32,490	$ 1,959	$ –		$ 34,449
Accrued Liabilities	17,733	2,880	–		20,613
Current portion of capital leases	794	–	–		794
Current portion of long-term debt	14,000	–	–		14,000
Other current liabilities	6,933	708	–		7,641
Total Current Liabilities	71,950	5,547	–		77,497
Long-term debt - Sellers Notes	–	–	46,695	(a)	46,695
Long-term debt - Term and revolving debt	182,383	–	–		182,383
Other Liabilities	21,699	135	–		21,834
Total Liabilities	276,032	5,682	46,695		328,409
Preferred Stock	1	–	–		1
Common Stock	44	–	–		44
Additional Paid-In Capital	923,956	33,000	(33,000)	(c)	923,956
Accumulated other comprehensive income (loss)	(2,620)	2	(2)	(c)	(2,620)
Accumulated Earnings (Deficit)	(545,181)	31,676	(31,676)	(c)	(545,181)
Total Pacific Ethanol Equity	376,200	64,678	(64,678)		376,200
Noncontrolling interest Equity	29,522	–	–		29,522
Total Stockholders' Equity	405,722	64,678	(64,678)		405,722
Total Liabilities and Stockholders' Equity	$ 681,754	$ 70,360	$ (17,983)		$ 734,131

The accompanying notes are an integral part of these pro forma combined condensed financial statements

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENTS
OF OPERATIONS OF PACIFIC ETHANOL AND ICP
For the three months ended March 31, 2017
(in thousands, except per share amounts)

	Historical PEI	Historical ICP	Pro Forma Adjustments	Notes	Pro Forma Amounts
Net Revenues	$ 386,340	$ 38,385	$ –		$ 424,725
Cost of Goods Sold	392,113	35,767	858	(d)	
			150	(e)	428,888
Gross Profit (Loss)	(5,773)	2,618	(1,008)		(4,163)
Selling, General and Administrative Expenses	5,450	738	–		6,188
Depreciation expense	–	858	(858)	(d)	–
Income (loss) from Operations	(11,223)	1,022	(150)		(10,351)
Fair value adjustments	455	–	–		455
Interest expense, net	(2,637)	(64)	(1,167)	(f)	(3,868)
Other income (expense), net	(80)	615	–		535
Income (loss) before provision for income taxes	(13,485)	1,573	(1,317)		(13,229)
Provision for income taxes	–	–	–		–
Consolidated net income (loss)	(13,485)	1,573	(1,317)		(13,229)
Net loss attributed to noncontrolling interests	849	–	–		849
Net income (loss) attributed to Pacific Ethanol	(12,636)	1,573	(1,317)		(12,380)
Preferred Dividends	(312)	–	–		(312)
Net income (loss) available to common stockholders	$ (12,948)	$ 1,573	$ (1,317)		$ (12,692)
Net Loss Per Share, Basic and Diluted	$ (0.31)				$ (0.30)
Weighted-Average Shares Outstanding, Basic and Diluted	42,375				42,375

The accompanying notes are an integral part of these pro forma combined condensed financial statements

UNAUDITED PRO FORMA COMBINED CONDENSED STATEMENTS
OF OPERATIONS OF PACIFIC ETHANOL AND ICP
For the year ended December 31, 2016
(in thousands, except per share amounts)

	Historical PEI	Historical ICP	Pro Forma Adjustments	Notes	Pro Forma Amounts
Net Revenues	$ 1,624,758	$ 177,401	$ –		$ 1,802,159
Cost of Goods Sold	1,572,926	157,584	3,030	(d)	
			601	(e)	1,734,141
Gross Profit	51,832	19,817	(3,631)		68,018
Selling, General and Administrative Expenses	28,323	3,002	–		31,325
Depreciation expense	–	3,030	(3,030)	(d)	–
Income from Operations	23,509	13,785	(601)		36,693
Fair value adjustments	(557)	–	–		(557)
Interest expense, net	(22,406)	(229)	(4,670)	(f)	(27,305)
Other expense, net	(1)	–	–		(1)
Income before provision for income taxes	545	13,556	(5,271)		8,830
Benefit for Income Taxes	981	–	–	(g)	981
Consolidated net income	1,526	13,556	(5,271)		9,811
Net (income) loss attributed to noncontrolling interests	(107)	–	–		(107)
Net income attributed to Pacific Ethanol	1,419	13,556	(5,271)		9,704
Preferred Dividends	(1,269)	–	–		(1,269)
Net income available to common stockholders	$ 150	$ 13,556	$ (5,271)		$ 8,435
Net Income Per Share, Basic	$ –				$ 0.20
Net Income Per Share, Diluted	$ –				$ 0.20
Weighted-Average Shares Outstanding, Basic	42,182				42,182
Weighted-Average Shares Outstanding, Diluted	42,251				42,251

The accompanying notes are an integral part of these pro forma combined condensed financial statements

NOTES TO UNAUDITED PRO FORMA
COMBINED CONDENSED FINANCIAL STATEMENTS

1. Basis of Presentation

The unaudited pro forma combined condensed financial statements are prepared under the acquisition accounting method in accordance with ASC 805, with Pacific Ethanol treated as the acquirer. Under the acquisition accounting method, the total estimated purchase price allocation is calculated as described in Note 3. In accordance with ASC 805, the assets acquired and the liabilities assumed have been measured at fair value based on various preliminary estimates, and these estimates are subject to change pending further review of the fair value of assets acquired and liabilities assumed. The final amounts recorded for the merger may differ materially from the information presented herein.

The unaudited pro forma combined condensed financial statements were prepared in accordance with GAAP and pursuant to Securities and Exchange Commission Regulation S-X, Article 11, and present the pro forma financial position and results of operations of the combined companies based upon the historical information after giving effect to the merger and adjustments described in these Notes to the unaudited pro forma combined condensed financial statements. The unaudited pro forma combined condensed balance sheet is presented as if the merger had occurred on March 31, 2017; and the unaudited pro forma combined condensed statements of operations for the three months ended March 31, 2017 and year ended December 31, 2016 are presented as if the merger had occurred on January 1, 2016.

Certain reclassifications have been made relative to ICP's historical financial statements to conform to the financial statement presentation of Pacific Ethanol. Such reclassifications are described in further detail in Note 4 to the unaudited pro forma combined condensed financial statements.

2. Preliminary Estimated Purchase Price Consideration

On July 3, 2017, Pacific Ethanol paid $30.0 million in cash and issued $46.7 million in promissory notes to the sellers to effect the merger. The promissory notes mature January 3, 2019 and their initial interest rate is LIBOR plus 5.00% and will increase to LIBOR plus 8.00% on October 4, 2017 and further increase to LIBOR plus 10.0% from July 4, 2018 through maturity, if not repaid sooner, which there is no prepayment penalty. For purposes of the proforma combined condensed financial statements, the rate is assumed to be 10.0% per annum. The principal amount of the promissory notes will be increased or decreased to reflect the results of a customary working capital adjustment.

For purposes of these unaudited pro forma combined condensed financial statements, the estimated total purchase price has been allocated among ICP's tangible and intangible assets and liabilities based on their estimated fair values as of March 31, 2017. Based on a preliminary analysis, and after considering potential intangibles related to ICP's customer base, no material identifiable intangible assets or liabilities have been determined and as such, none have been included in the allocation of the preliminary estimated purchase price.

The final determination of the allocation of the estimated total purchase price will be based on the fair value of such assets and liabilities as of the date of closing of the merger. Such final determination of the purchase price allocation may be significantly different from the preliminary estimates used in these unaudited pro forma combined condensed financial statements.

3. Preliminary Estimated Purchase Price Allocation

The following allocation of the preliminary estimated purchase price assumes, with the exception of property and equipment, carrying values approximate fair value. Fair value of property and equipment is based on a preliminary valuation of similar historical transactions available. Based upon these assumptions, the total purchase price consideration was allocated to ICP's assets and liabilities, as of March 31, 2017, as follows (in thousands):

		Estimated Fair Value
Cash and Equivalents	$	26,849
Accounts Receivable, net		6,810
Inventories		12,913
Other current assets		2,536
Total Current Assets		49,108
Property and Equipment, net		33,168
Other assets		101
Total Assets Acquired	$	82,377
Accounts Payable, trade	$	1,959
Accrued Liabilities		2,880
Other current liabilities		708
Total Current Liabilities		5,547
Other Liabilities		135
Total Liabilities Assumed	$	5,682
Net Assets Acquired	$	76,695
Goodwill	$	–
Total Estimated Purchase Price	$	76,695

The actual determination of the purchase price allocation on the closing date will be based on the actual net tangible and intangible assets of ICP that existed on the date of the merger and completion of the valuation of the fair value of such net assets.

4. Preliminary Pro Forma Financial Statement Adjustments

Adjustments included in the column under the heading "Pro Forma Adjustments" represent the following:

Unaudited Pro Forma Combined Condensed Balance Sheet

(a) Reflects the purchase price of $30.0 million in cash and the issuance of $46.7 million in notes payable issued to the sellers. The principal amount of the promissory notes will be increased or decreased to reflect the results of a customary working capital adjustment.

(b) To record the difference in book value and fair value of property and equipment acquired. The step up in property and equipment relates primarily to the ethanol production facility, which have a current estimated weighted average useful life of 20 years that will be depreciated on a straight-line basis. The amount of purchase price allocated to tangible assets, as well as the associated useful lives, may increase or decrease and could materially affect the amount of pro forma depreciation expense to be recorded in the pro forma combined condensed statements of operations.

(c) Represents the elimination of ICP's historical stockholders' equity.

Unaudited Pro Forma Combined Condensed Statements of Operations

Conforming Reclassifications Between Pacific Ethanol and ICP:

The following reclassifications have been made to the presentation of ICP's historical financial statements to conform to Pacific Ethanol's presentation:

(d) Depreciation expense is recorded in cost of goods sold for Pacific Ethanol and is being reclassed with respect to ICP's reported amounts, which was presented as a separate line within operating income (loss) in ICP's historical financial statements.

Pro Forma Adjustments

(e) Reflects pro forma adjustments to depreciation of property and equipment assuming the preliminary estimates of the fair value and estimated useful life of the asset as described in Note (a) and conforming classifications.

(f) Reflects additional interest expense associated with promissory notes issued to the sellers upon closing the merger.

(g) The Company did not record a pro forma tax provision for the year ended December 31, 2016, as the Company believes it would have utilized available net operating losses, which were fully reserved for at December 31, 2016.

5. Pro Forma Combined Net Income (Loss) Per Share

The pro forma basic and diluted net income (loss) per share presented in the unaudited pro forma combined condensed statements of operations is computed based on the weighted-average number of shares outstanding (in thousands except per share data):

		Three Months Ended March 31, 2017
Pro Forma net loss available to common stockholders, as combined	$	(12,692)
Pacific Ethanol's historical weighted-average shares, Basic		42,375
Pro Forma net loss per share, Basic and Diluted	$	(0.30)

		Year Ended December 31, 2016
Pro Forma net income available to common stockholders, as combined	$	8,435
Pacific Ethanol's historical weighted-average shares, Basic		42,182
Pro Forma net income per share, Basic	$	0.20
Pro Forma net income available to common stockholders, as combined	$	8,435
Pacific Ethanol's historical weighted-average shares, Diluted		42,251
Pro Forma net income per share, Diluted	$	0.20