METHANEX CORPORATION

INVESTOR'S CONFERENCE CALL

First Quarter 2009 RESULTS CONFERENCE CALL

April 29, 2009

CHECK AGAINST DELIVERY

Jason Chesko

Good morning, ladies and gentlemen. I would like to remind our listeners that our comments and answers to your questions may contain forward-looking information. This information by its nature is subject to risks and uncertainties that may cause the stated outcome to differ materially from the actual outcome. Certain material factors or assumptions were applied in drawing the conclusions or making the forecasts or projections which are included in the forward-looking information. Please refer to the bottom of our latest news release and to our 2008 annual report for more information.

I would now like to turn the call over to Methanex's president and CEO, Mr. Bruce Aitken, for his comments.

Bruce Aitken

Thank you Jason and good morning everyone. And welcome to the Methanex first quarter investor conference call. I have a number of colleagues with me in the room and they will be available to help answer questions a little later on.

Firstly, some comments on our results in Q1. In the first quarter we generated EBITDA of $13 million, cash flow from operating activities of $68 million and a net loss of $18 million or $0.20 per share. We achieved an average realized price of $199 per tonne on sales volumes of 1.4 million tonnes, which is the same level of sales in the last quarter Q4 2008.

The result for the first quarter is not a good reflection of the strength and earning capability of the company in the current pricing environment. While our cost structure is quickly adjusting to the lower methanol price environment, we still had some inventory timing issues and gas contract pricing lags that negatively impacted our earnings in the first quarter. In addition, we have recently undertaken a global cost reduction program, where we have reduced some labour and other operating costs and these were not fully reflected in the first quarter results. Adjusting for these factors, we would expect to have earned about $40 million EBITDA during the first quarter, which is a more representative figure of our cash flow generation capability in the current price environment.

Furthermore, looking forward to next year, assuming a successful start up of the project in Egypt and some modest production improvements in Chile, we would expect to generate about $300 million in EBITDA in the price environment of $200 per tonne realized methanol prices. I hope this gives you an idea of the near term potential to improve our earnings even without assuming any recovery in methanol prices.

I will comment on the industry and pricing outlook a little later in the call, but first I would like to provide you with an update on our operations.

Our plants in Trinidad continued to run well and we produced 427,000 tonnes during the first quarter. The Atlas plant was off line in January for planned maintenance and this reduced production by about 75,000 tonnes. In May we are also undertaking a routine maintenance program at our Titan plant and this should result in about 75,000 tonnes less production from Trinidad in the second quarter. We are expecting some efficiency improvements to result from the maintenance work completed at the Titan and Atlas plants which should result in 5-10% higher production in Trinidad going forward.

We continued to operate one plant at our site in Chile during the first quarter with gas supply from that country. The production of 228,000 tonnes in Chile was disappointing, as we lost about 35,000 tonnes of production from an unplanned outage due to some technical issues which have since been resolved. I will comment more on the outlook for natural gas to our plants in Chile in just a few moments.

The Motunui plant in New Zealand operated near capacity for most of the quarter and we produced 194,000 tonnes of methanol. As I mentioned on the last conference call, during the beginning of the quarter we operated the plant at moderately lower operating rates to manage inventories; however, since late January we have been operating the plant at near capacity and generating positive cash flow. In the current market environment, we have no immediate plans to restart our smaller Waitara Valley plant; however in the medium to long term, based on the improved outlook for natural gas supply in New

Zealand, we continue to be optimistic that we can operate both plants and have 1.4 million tonnes of production capacity operating in that country once market conditions improve.

I will switch topics now and address the industry and pricing outlook. On the last quarterly conference call, I explained the effects that the global financial crisis and weak economic environment had on methanol demand and supply in the fourth quarter of last year. Global methanol demand reduced by about 15% in the fourth quarter and, as a result, a significant amount of high cost capacity, particularly in China, was forced to shut down or operate at lower rates.

During the first quarter, industry conditions stabilized. Overall industry demand in the first quarter was similar to Q4-2008 levels. On a regional basis, demand in China showed some improvement, while demand remained relatively stable in most other regions. Demand for traditional chemical derivatives, which are generally correlated to industrial activity, remained depressed, while demand into energy derivatives remained stable. High cost capacity remained shut down or operated at low rates in the first quarter in China and other high cost jurisdictions and this helped bring some balance to the industry.

Methanol prices have remained reasonably stable since the beginning of this year. During the first quarter, our average non-discounted price across all of the major regions was $216 per tonne.

As we enter the second quarter, we are seeing some signs of recovery in demand, primarily in China and other areas in the Asia Pacific region, while demand in Europe and North America remains weak but stable. Imports into China have continued to escalate reaching an annualized rate of about 6.5 million tonnes for the quarter compared to a level of about 1 million tonnes which has been typical over the last few years. With more methanol shifting into Asia from other regions, global inventories have been drawn down and spot pricing has been increasing in all regions in recent weeks, and particularly in Asia where spot pricing is currently the highest in the world.

I will switch topics now and talk about some of the opportunities and challenges that we face.

Firstly, natural gas supplies to our plants in Chile. We are operating our site in Chile at about 30% of capacity based on gas supplied exclusively from Chile. While we continue to operate only one plant today, we are optimistic about the future and encouraged by the level of gas exploration and development activity occurring in southern Chile.

During the first quarter, GeoPark again increased gas deliveries to our site from the Fell Block. This one block alone is now delivering over one million cubic meters of gas per day which equates to about 1/3 of our current gas supply in Chile or 10% of our total gas supply needs. We are also receiving quantities of gas from our major initiative with ENAP in the Dorado Riquelme block. Drilling activity will increase significantly in this block this year and we expect to have further increases of gas deliveries to our plants later this year. Based on the significant activity occurring, we expect to be in the position to restart a second plant towards the end of the year after the southern hemisphere winter ends and surplus gas is available to supplement the new gas discoveries coming on line.

In addition, exploration and development activities are in the early stages in the nine other exploration blocks that the Government of Chile awarded to several international oil and gas companies earlier this year under a international bidding round. A significant amount of capital is planned to be spent in these blocks this year, with 3-D seismic work already underway in some of the blocks. And, the Government of Chile reiterated its intention earlier this month to intensify hydrocarbon exploration and development in southern Chile, which includes other blocks near to our plants.

When we add up all of the initiatives in southern Chile, we estimate more than $500 million is expected to be spent by a variety of oil and gas companies on gas exploration and development between 2009 and 2011. Based on this significant activity and the success we've seen to date, we continue to be optimistic that we can gradually recover our site in Chile back to a four-plant operation over the next few years.

The next opportunity that I wanted to provide you an update on is our new methanol plant in Egypt. The project is now over 80% complete and it continues to be on budget and scheduled for startup in early 2010. This is the biggest and most complex project we have undertaken to date, and we are now at the most challenging part of the construction schedule where schedule delays can often arise. We are dedicating significant resources to the project and managing risks closely to minimize any delays. We are very excited about adding this first class project into our supply chain to increase methanol supply to our customers and, as one of the lowest cost plants in the world, it will generate strong cash flows for our shareholders after it starts up.

I will change topics now and make a few comments about our liquidity and capital allocation in the current environment. During the first quarter, we generated $68 million of cash flow from operations, and we continue to be in a strong financial position. We have $313 million of cash on our balance sheet, a $250 million undrawn credit facility, low leverage, and no refinancing requirements until 2012. We have two key priorities for the use of cash. Firstly, to complete our project in Egypt, which requires a remaining equity contribution of about $60 million. And secondly, investing to accelerate gas development in southern Chile. We expect to spend around $50 million on these initiatives during the remainder of this year. We are in a strong position to satisfy these commitments and our planned maintenance expenditures. The margin earned from bringing on incremental low cost capacity in Egypt and Chile is very attractive and will significantly improve cash generation capability.

Maintaining our strong financial position is also a key priority for our company, especially in today's environment. With credit markets effectively closed, and no visibility on when we will recover from the global recession, we believe it is vital to maintain a strong balance sheet. I mentioned on our last conference call that we stopped re-purchasing shares under the Normal Course Issuer Bid at the end of last year, we cancelled almost all discretionary capital spending and embarked upon a global cost cutting program. These actions are designed to allow us to continue to invest, to grow and improve the quality of the company's assets, and manage through the current financial crisis. And, we continue to review with our Board other actions that may be necessary to further strengthen the company.

Before stopping for questions, I'll make a few comments regarding the future and our expectations for the second quarter.

Contract methanol prices for the quarter are expected to be a little lower than Q1 as prices in both Europe and the US have declined. These declines are partly offset by an increase in contract prices in Asia. Based on the current supply and demand balances, we think that prices should remain reasonably stable during the balance of the second quarter and have today announced a roll of April prices into May. I mentioned earlier in the call that our first quarter earnings were not representative of our earnings capability under the current price environment as our cost structure had not fully adjusted to the lower methanol price environment and that we had implemented some cost savings initiatives that were not reflected in our first quarter results. In the second quarter, our cost structure should continue to adjust downwards as these factors take effect and this should lead to improved earnings for the quarter.

So at this point I am happy to stop and take any questions that you might have.

<u>Closing comments</u>

We are at just a little over an hour and I would like to bring the call to an end. Thank you very much for the questions and the interest in our company. I think we are in a pretty interesting time for the organization. We are investing for growth and I look forward to next year when we are producing more methanol and this is all low cost methanol that comes into our system. As I mentioned a little earlier, we have the ability to double our production capacity of low cost methanol over the next few years and regardless of the market environment for methanol, we are in a very strong position to increase our earnings and cash flow. Thank you very much again for your support and I look forward to talking with you again in the future.