METHANEX CORPORATION

INVESTOR’S CONFERENCE CALL

Third Quarter 2009 RESULTS CONFERENCE CALL

October 28, 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 our latest MD&A 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 third quarter investor conference call. I have a number of colleagues with me here in the room and they will be available to help answer questions a little later.

Firstly, some comments on our results. In the third quarter, we reported EBITDA of $31 million and a net loss of $800,000 or $.01 per share. Most notably, all of our numbers reflect an improvement in the operating environment in Q3 relative to the first half of 2009. Sales volumes of 1.6 million tonnes were 13% up quarter over quarter and are comparable with pre-recession sales volumes. We achieved an average realized price of $222 per tonne, which was about $30 per tonne higher than last quarter; and EBITDA increased by 24% in Q3 compared to Q2. Our earnings would have been higher but for a number of issues that impacted our cost structure including freight costs which increased due to higher bunker fuel costs and a softer backhaul market, lower production from our plants in Chile and Trinidad in October due to maintenance outages, and higher stock based compensation caused by an increasing share price. Those of you who analyze our numbers more closely will also notice that sales of produced product, on which we make most of our margin, have been quite flat over the last year or so. The result is that increased sales do not generate much in the way of increased earnings. While I will comment on our outlook in more detail a little later, it is worth emphasizing that our plans in 2010 for increased production in Chile, Egypt and Trinidad are expected to have a significant positive impact on reported earnings.

As I have just mentioned, I will comment more on the industry and pricing outlook a little later, but first I would like to provide you with an update on our operations.

Firstly, in New Zealand, the Motunui plant continued to operate well during the third quarter and we produced 202,000 tonnes of methanol.

In Trinidad, after completing planned maintenance at our Titan plant at the beginning of the third quarter, our plants ran at near capacity for most of the quarter and we produced 445,000 tonnes of methanol. With the debottlenecking and maintenance programs completed at our Trinidad plants earlier this year, we expect about 5%-10% higher production from Trinidad in 2010.

We continued to operate one plant in Chile and produced 197,000 tonnes of methanol during the third quarter. This was a disappointing result, as some technical issues led to unplanned outages and a loss of production of about 65,000 tonnes. We expect improved production from our site in Chile in the fourth quarter and I will comment more on the outlook for natural gas to our plants in Chile in just a few moments.

I will switch topics now and address the industry and pricing outlook. On the last conference call, I mentioned that we had seen global methanol demand start to recover in the first half of this year, primarily due to strong demand from Asia, and particularly, China. During the third quarter, we have seen further improvement in demand in both traditional and energy derivatives, and in all major regions including Europe and North America. And, early indications are that demand will show further improvement in Q4. To put it into perspective, when the global economic slowdown impacted the methanol industry back in Q4-2008, methanol demand decreased by about 15% - or to about 36 million tonnes measured on an annualized basis. As we enter Q4-2009, we estimate that global demand is close to recovering to its peak level of last year. While traditional demand has not recovered to its pre-recession levels, demand growth into energy applications has continued to be strong, particularly in fuel blending in China. Demand growth in this application has historically been driven by provincial standards. And recently, another province in China – Zhejiang, a large gasoline consuming province on the east coast, introduced new methanol fuel standards which should further support growth in that province. National standards for methanol blending in gasoline were rolled out in China earlier this year and take effect in a few days on November 1st. These standards are expected to add further impetus to methanol blending throughout the country. The economic rationale for continued growth of methanol blending in China is strong. Based on current gasoline prices in China, methanol is cost effective for fuel blending into gasoline at up to about $450 per tonne on an energy equivalent basis and about double that on a volumetric basis. In addition, methanol demand into DME in China has also improved recently. Higher LPG prices provide support for higher DME prices and this industry today is consuming about 2.2 million MTs of methanol on an annualized basis with a lot of potential for more growth.

Turning to methanol supply, there have been numerous planned and unplanned outages reducing supply to the industry throughout the third quarter. Notably, two new world scale plants that started up earlier this year have operated at reduced rates due to various issues and this has added further tightness to the market. As a result of the recent tightening supply and demand dynamics in an environment of low global inventories, methanol pricing increased significantly towards the end of the third quarter and into the fourth quarter. In October, our average non-discounted price across the regions was set at about $315 per tonne and we have today announced an increase in pricing for November in North America of about $16/MT. November's contract pricing in both North America and Europe will therefore be about $330/MT. Pricing is up by more than $100 per tonne since the beginning of Q2-2009. With the increase in pricing, we have seen some high cost production restart, particularly in China, and imports into China have declined, but remain high relative to historical levels.

I will switch topics now and provide you with an update on the key initiatives we are focused on.

Firstly, natural gas supplies to our plants in Chile. As I mentioned earlier, we continue to operate one plant in Chile with an operating rate of about 25%-30% for the site, based on gas supplied exclusively from Chile. Gas production from the Fell and Dorado Riquelme blocks has been steadily increasing over the past few quarters, and combined, production from these two blocks now represents around half of the gas supply to our Chile site. We expect gas supply from Dorado Riquelme to ramp up over the next quarter and with the southern hemisphere winter ending and more gas becoming available from traditional sources, we are planning to start a second plant in the next few weeks. Our plan is to operate two plants at reduced rates and we expect this will result in more than 20% higher production from our Chile site over the next year. We are very pleased with the success we have seen from the new blocks to date. GeoPark's Fell Block alone is supplying us with over one third of our current gas supply and to build on this success, we recently agreed to provide GeoPark with $18 million in additional financing to step up its exploration program in southern Chile. This new financing is structured similarly to the first advance that we made to them; we have provided a loan that will be repaid with natural gas under a ten year exclusive gas supply agreement.

After next year, we expect production in Chile to ramp up more quickly as we see the benefits of gas development in the nine other exploration blocks near our plants that the Government of Chile awarded to several international oil and gas companies. Apache has announced that it has commenced its drilling activities in its Rusfin and Lenga blocks during Q4-2009 and drilling activity in other blocks is expected to commence in the first half of next year. Based on the significant increase in gas exploration activity expected to occur in southern Chile over the next couple of years, and the success already achieved, we continue to be optimistic about returning our Chile site to a four plant operation over the next few years.

The next opportunity that I wanted to provide you an update on is our project in Egypt, which is nearing completion. All of the pipeline infrastructure is now complete and the utilities systems are currently being commissioned. The project remains on budget and on track to be producing methanol in the first half of next year. We are very excited about the addition of this first class project into our supply chain which will increase methanol supply to our customers and significantly increase cash generation. Assuming today's pricing environment of around $300 per tonne, our 60% interest in the project is capable of generating in excess of $150 million in annualized EBITDA after it starts up next year.

I will change topics now and make a few comments about our liquidity and capital allocation in the current environment. During the third quarter, we generated $36 million of cash flow from operations before changes in working capital, and we continue to be in a strong financial position. We have just under $200 million of cash on our balance sheet, prudent leverage, no refinancing requirements until 2012 and an undrawn operating facility of $200 million. We have two key priorities for the use of our cash. Firstly, our project in Egypt, which requires a remaining equity contribution of about $20 million. And secondly, we expect to continue committing capital to accelerate gas development in southern Chile. We are in a strong position to satisfy these commitments and our planned maintenance expenditures.

Despite the recent recovery in methanol demand and pricing, there continues to be uncertainty around the future and the sustainability of the recovery we have seen. In this environment, we continue to remain focused on maintaining a strong financial position and conservative balance sheet. Longer term, our philosophy around capital allocation has not changed. We will continue to employ a balanced approach for the use of cash – a balance between reinvesting and growing our business and returning excess cash to shareholders. And with the capital spending for our Egypt project almost complete and our initiatives at our other sites to increase production only requiring a modest amount of capital, we believe we are in an excellent position to generate significant cash flow for our shareholders over the next few years.

Before stopping for questions, I will briefly comment on our expectations for the fourth quarter. I have already commented that contract methanol prices are significantly higher and given you some idea of the range of those prices and also that we expect improved production in Q4. These 2 factors are expected to result in substantially improved earnings for the fourth quarter.

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

Closing comments

Thanks everybody for participating. What I find interesting in our numbers as I mentioned is that demand has increased probably much quicker than we anticipated and it really is reflected in our own sales volumes and the analysis that we do on the various derivatives. And to be able to say that this industry has returned to a level of where it was last year I think is quite extraordinary. I'll acknowledge immediately that a good part of that is within China but we are seeing nice recoveries in the other markets as well.

So, you know this is an exciting time for our company. I think we've been through a very tough period in terms of production and when I looked back over the quarter-by-quarter production since the middle of 2007 when we lost our gas supply from Argentina, we've had a very disappointing level of production and that is something that we've been very focused on and we've been addressing and we are beginning to come out of that hole and have increased production from Chile, increased production in Trinidad, and increased production in Egypt and we are working on some interesting opportunities in both New Zealand and Canada, so I think we are going to get our levels of low cost production back to the sort of levels that we were accustomed to and we’re going to be growing our market share accordingly. So this is a very exciting time and we’re going to see increased cash generation and increased earnings and I’m very optimistic and positive about the future.

So thanks very much for your support and good morning to everybody..

FORWARD-LOOKING INFORMATION WARNING

This Third Quarter 2009 Management's Discussion and Analysis ("MD&A") as well as comments made during the Third Quarter 2009 investor conference call contains forward-looking statements with respect to us and the chemical industry. Statements that include the words "believes," "expects," "may," "will," "should," "seeks," "intends," "plans," "estimates," "anticipates," or the negative version of those words or other comparable terminology and similar statements of a future or forward-looking nature identify forward-looking statements.

More particularly and without limitation, any statements regarding the following are forward looking statements:

- expected demand for methanol and its derivatives,
- expected new methanol supply and timing for start-up of same,
- expected shut downs (either temporary or permanent) or re-starts of existing methanol supply (including our own facilities), including, without limitation, timing of planned maintenance outages,
- expected prices of methanol,
- anticipated production rates of our plants, including timing of the start-up of a second plant in Chile,
- expected levels of natural gas supply to our plants,
- capital committed by third parties towards future natural gas exploration in Chile, anticipated results of natural gas exploration in Chile and timing of same,
- expected operating costs, including natural gas feedstock costs and logistics costs,
- expected capital expenditures and future sources of funding for such capital expenditures,
- expected tax rates,
- expected cash flows and earnings capability,
- anticipated completion date of, and cost to complete, our methanol project in Egypt,
- availability of committed credit facilities and other financing,
- shareholder distribution strategy and anticipated distributions to shareholders,
- commercial viability of, or ability to execute, future projects or capacity expansions,
- financial strength and ability to meet future financial commitments,
- expected global or regional economic activity (including industrial production levels) and expected timing for recovery from the current economic recession, and
- expected actions of third parties, including governments, gas suppliers, courts and tribunals.

We believe that we have a reasonable basis for making such forward-looking statements. The forward-looking statements in this document are based on our experience, our perception of trends, current conditions and expected future developments as well as other factors. Certain material factors or assumptions were applied in drawing the conclusions or making the forecasts or projections that are included in these forward-looking statements, including, without limitation, future expectations and assumptions concerning the following:

- supply of, demand for, and price of, methanol, methanol derivatives, natural gas, oil and oil derivatives,
- production rates of our facilities,
- success of natural gas exploration in Chile and New Zealand,
- receipt of third party consents or approvals, including without limitation, governmental approvals related to natural gas exploration rights, rights to purchase natural gas, and other rights and projects,
- operating costs including natural gas feedstock and logistics costs, capital costs, tax rates, cash flows, foreign exchange rates and interest rates,
- completion date and cost of our methanol project in Egypt,
- availability of committed credit facilities and other financing,
- global and regional economic activity (including industrial production levels),
- absence of a material negative impact from major natural disasters or global pandemics,
- absence of a material negative impact from changes in laws or regulations, and
- performance of contractual obligations by customers, suppliers and other third parties.

However, forward-looking statements, by their nature, involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. The risks and uncertainties primarily include those attendant with producing and marketing methanol and successfully carrying out major capital expenditure projects in various jurisdictions, including without limitation:

- conditions in the methanol and other industries, including fluctuations in supply, demand and price for methanol and its derivatives, including demand for methanol for energy uses,
- the price of natural gas, oil and oil derivatives,
- the success of natural gas exploration and development activities in southern Chile and New Zealand and our ability to obtain any additional gas in those regions or other regions on commercially acceptable terms,
- the timing of start-up and cost to complete our new methanol joint venture project in Egypt,
- the ability to successfully carry out corporate initiatives and strategies,
- actions of competitors and suppliers,
- actions of governments and governmental authorities including implementation of policies or other measures by the Chinese government or other governments that could impact the demand for methanol,
- changes in laws or regulations,
- import or export restrictions, anti-dumping measures, increases in duties, taxes and government royalties, and other actions by governments that may adversely affect our operations,
- world-wide economic conditions, and
- other risks described in our 2008 Management's Discussion and Analysis and the Third Quarter 2009 Management's Discussion and Analysis.

In addition to the foregoing risk factors, the current uncertain economic environment and its impact on global economies has added additional risks and uncertainties including changes in capital markets and corresponding effects on the company's investments, our ability to access existing or future credit and defaults by customers, suppliers or insurers.

Having in mind these and other factors, investors and other readers are cautioned not to place undue reliance on forward-looking statements. They are not a substitute for the exercise of one's own due diligence and judgment. The outcomes anticipated in forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.