

**Methanex
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Questions & Answers about Methanol

Q. What is methanol?

- Methanol is usually made by mixing natural gas with steam and then putting the resulting gas mixture through a liquid conversion and distillation process to create pure methanol: a clear liquid hydrocarbon that is rich in hydrogen, water soluble and readily biodegradable.

Q. What is methanol used for?

- Methanex sells its product to many of the world's leading chemical manufacturers who turn methanol into other industrial chemicals, such as formaldehyde and acetic acid, that are used to make a countless array of synthetic products for home and industry.
- There are also growing markets for the use of methanol in energy applications including dimethyl ether, direct gasoline blending and biodiesel.

Q. What are the chemical derivatives produced from methanol?

Formaldehyde

- Formaldehyde is a primary derivative of methanol and the largest single end-use for methanol.
- Formaldehyde derivatives such as urethane (for urethane foam products) and plastics are used in products for the office, car and home.
- Engineered woods (such as plywood) used in home construction and furniture are bonded with resins based on formaldehyde.
- Much of today's modern sportswear contains methanol (from formaldehyde).

MTBE

- MTBE (methyl tertiary-butyl ether) is a clean-burning gasoline component manufactured from methanol. Its use is credited with reducing smog and tailpipe emissions.
- While MTBE use in gasoline has traditionally been as an octane enhancer, many regions that suffer air quality problems require the use of MTBE as an oxygenate to reduce vehicle emissions.
- Demand for MTBE continues to grow in Europe (to meet the continent's stricter gasoline regulations) and in Asia (to help reduce lead and aromatic content in gasolines).

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Acetic acid

- Acetic acid, a derivative of methanol, is used to produce terephthalic acid (PTA). PTA is used to make polyester fibre for carpeting and textiles.
- PTA is also a basic component of polyethylene terephthalate (PET) plastic, which is used to package beverages and household products. In addition to its clarity and impact resistance, PET plastic has the advantage of being 100 per cent recyclable.
- Acetic acid is a major component of vinyl acetate monomer, which is used to manufacture water-based paints and adhesives and is a welcome replacement for solvent-based products.

Q. What happens to methanol in the environment?

- Methanol is a volatile liquid that evaporates readily when exposed to air. When released into the air, it breaks down into other relatively non-hazardous chemicals. Methanol will also evaporate from water and soil exposed to air and is readily biodegradable.
- Methanol dissolves completely when mixed with water. When released into water, it is diluted and quickly dispersed or broken down by naturally occurring micro-organisms. Decomposition of methanol does, however, remove available dissolved oxygen from water.
- Methanol does not bind well to soil. Therefore, when it is released into the soil, methanol can move through it and enter groundwater. In low concentrations, methanol can quickly biodegrade in moist soils and groundwaters. In some circumstances, high concentrations of spilled methanol can "pool" in impermeable depressions in the soil and resist biodegradation for much longer periods of time.
- Methanol is a naturally occurring substance that does not accumulate in the cells of plants and animals.

Who we are

Methanex is a Vancouver-based, publicly traded company engaged in the worldwide production, distribution and marketing of methanol. Methanex shares are listed for trading on the Toronto Stock Exchange in Canada under the trading symbol "MX", on the NASDAQ Global Market in the United States under the trading symbol "MEOH" and on the foreign securities market of the Santiago Stock Exchange in Chile under the trading symbol "Methanex". Methanex can be visited online at www.methanex.com.

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