

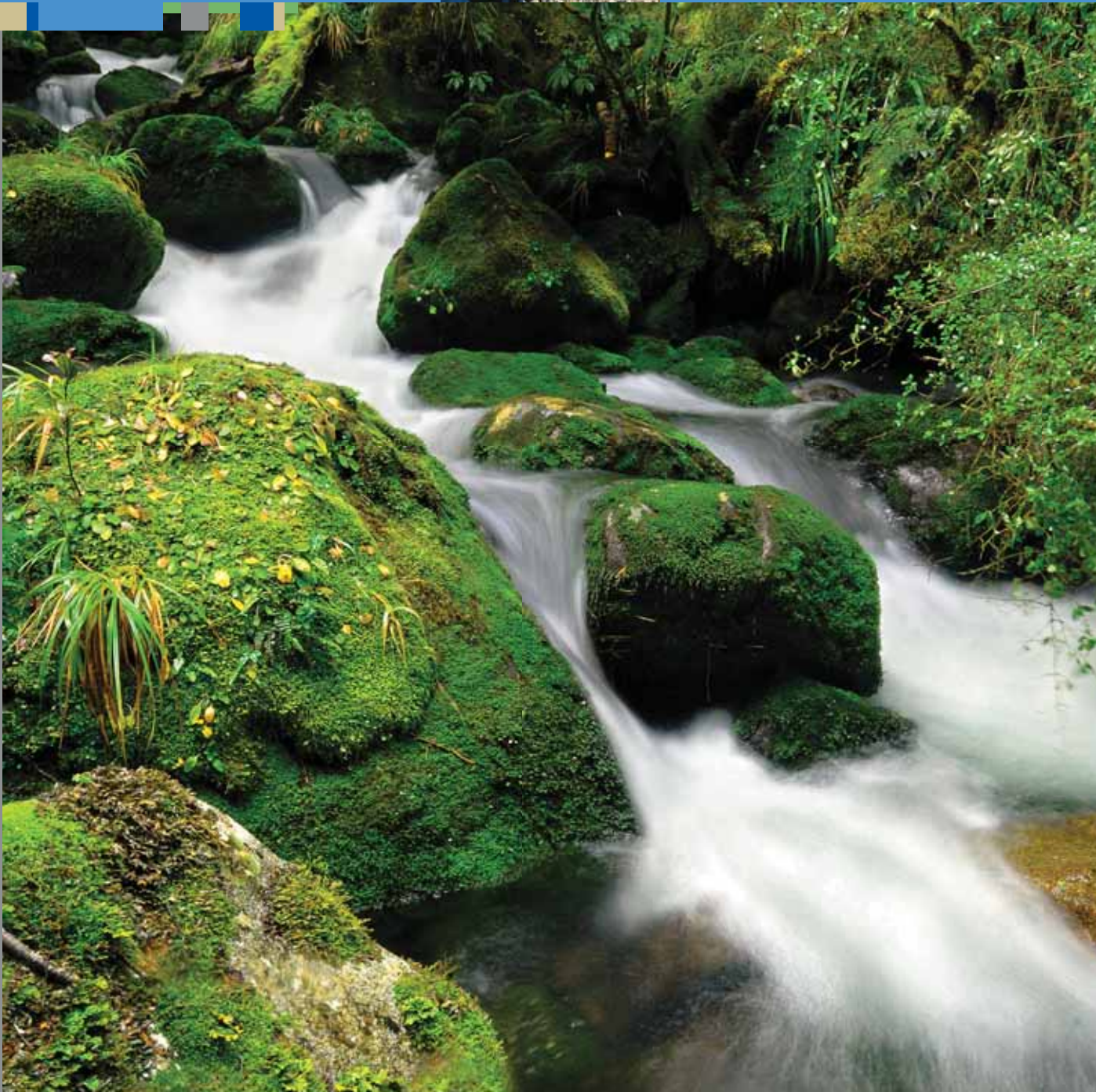


07

Methanex Responsible Care and
Corporate Social Responsibility Report



METHANEX
A Responsible Care® Company



Methanex is a Responsible Care® company committed to the safe, ethical and environmentally sound management of the chemicals we make and use according to codes of practice established by the Canadian Chemical Producers' Association (CCPA). Wherever we do business, our stakeholders' well-being is a key priority.

Methanex's Corporate Social Responsibility (CSR) policy is an enhancement and natural evolution of our commitment to Responsible Care, and its principles are closely linked to the core values and business strategy of the company.

As part of our commitment to Responsible Care and CSR, we report annually to the public and our stakeholders about our activities related to these initiatives.

This report may contain forward-looking statements. By their nature, such forward-looking statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated by the forward-looking statements. For a discussion of these risks and uncertainties, please refer to the Risk Factors section of our most recent annual Management's Discussion and Analysis, which can be found in our most recent Annual Report on our website at www.methanex.com.

Contents

President's Message	3
About Methanex	4
About This Report	5
Performance Areas	
Environment	6
Workplace	10
Community	14
Marketplace	18
Business Performance	21
Governance	22
Responsible Care and CSR Regional Contacts	23

President's Message

Growth, development, evolution — these words are synonymous with change. Methanex is a company facing an exciting future of changes and challenges, with a strategy for business growth that is aligned with our responsibilities and commitments to stakeholders.

We are living in a time full of challenges and rich in opportunities. The success of Methanex's business depends on our ability to provide an efficient and reliable supply of methanol to our customers. To a large degree, we achieve this through continuous improvement and adaptation to changes in the marketplace, while at the same time working to make our workplaces safer and to find more efficient ways to manage the resources under our stewardship.

Climate change and the drive to reduce total industrial carbon and environmental footprints will see many jurisdictions moving to stricter regulations and legislation that will limit industrial emissions including greenhouse gases. Methanex will contribute to this effort by making the most efficient use of all our resources at Methanex production facilities and operating sites. For example, in this report you will find that over the past 12 years we have reduced greenhouse gas emissions intensity by approximately 40 per cent through asset turnovers, improved plant reliability and energy efficiency management.



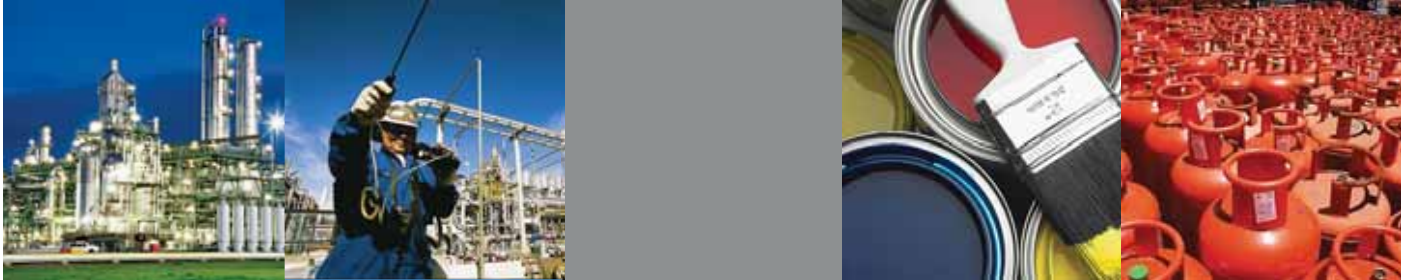
In the years ahead, Methanex will face transformational change as we explore new business opportunities and expand into emerging methanol markets. Finding new fuels and energy alternatives is essential for global energy security. We believe that as the global economy grows, the importance of methanol as an alternative fuel and energy resource will also grow. We are excited by the opportunities for methanol to energy applications such as dimethyl ether (DME) and fuel blending.

Methanex is also growing in countries with workforces unfamiliar with many of our Responsible Care practices. As we build our new production facilities in Egypt and expand Methanex's presence in China, we will work to ensure these values move with us into these new markets, enabling us to share our health, safety and environmental best practices with our partners around the globe.

Our proven track record, our corporate values and our strong Responsible Care and Corporate Social Responsibility fundamentals will provide an excellent foundation for success in these changing times.

Bruce Aitken
President and Chief Executive Officer

About Methanex



Who is Methanex?

Methanex Corporation is the world's largest supplier of methanol to major international markets in North America, Asia Pacific, Europe and Latin America. Methanol is an essential chemical building block used in countless industrial and consumer products and increasingly in emerging energy applications. This means that every day, all over the world, Methanex plays a vital role in people's lives.

Headquartered in Vancouver, Canada, Methanex has a global network of methanol production sites, storage facilities and regional marketing offices. The corporation is served by a fleet of ocean tankers, creating an extensive global methanol supply chain that provides reliability and security of supply to our customers.

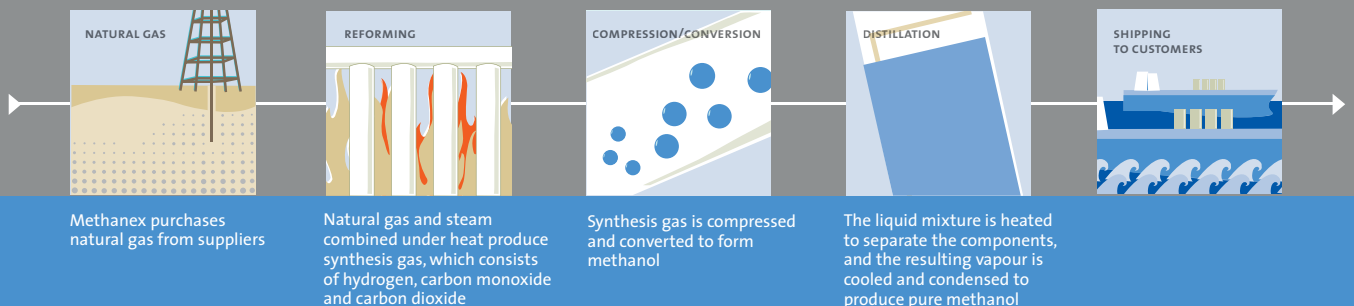
What is Methanol?

Methanol is an essential chemical building block containing carbon, hydrogen and oxygen that is used primarily to make everyday consumer and industrial products. Methanex sells much of its product to chemical manufacturers, who turn methanol into derivative chemicals such as formaldehyde and acetic acid. Methanol is also increasingly being used as a direct fuel source for motor vehicles and in the production of biodiesel and dimethyl ether (DME).

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

We believe that as the global economy grows, the importance of methanol as an alternative fuel and energy resource will also grow. Methanol is increasingly being used in DME for heating and cooking in homes in developing nations and as an efficient transportation fuel.

How We Make Methanol



About This Report



As part of our commitment to Responsible Care and Corporate Social Responsibility, we report annually to the public about our activities related to these initiatives. Methanex has published an annual Responsible Care Report since 1997 and a combined Responsible Care and Corporate Social Responsibility Report since 2004. In addition, every three years we publish a comprehensive Global Environmental Report that deals specifically with our environmental management practices and performance. A new environmental report will be published in 2008.

This 2007 Responsible Care and Corporate Social Responsibility Report focuses on five key performance areas: Environment, Workplace, Community, Marketplace and Business Performance.

Methanex is committed to reducing the environmental impact of our operations in every country in which we operate. Our Responsible Care culture ensures that regulatory compliance with environmental protection is the minimum standard for which we strive.

Methanex follows best industry practices on our ships, in our offices and at production sites in order to reduce our environmental impact on the land, sea and air. We believe that minimizing emissions and waste from our business activities is good practice. Since 1996, we have reduced our CO₂ emissions intensity alone by approximately 40 per cent through asset turnovers, improved plant reliability and energy efficiency management.

Goals + Targets

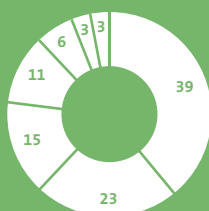
Our goal is to have no incidents that result in environmental degradation. Our annual tracking target is zero major environmental incidents, and in 2007 we achieved this target.

Key Performance Indicators

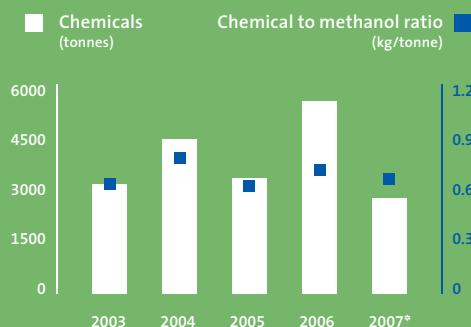
Methanol Usage

Chemical Market Associates Inc. (CMAI)
2007 World Methanol Analysis

- 39% Formaldehyde
- 23% Other
- 15% MTBE / TAME
- 11% Acetic Acid
- 6% Fuel Blending
- 3% DME
- 3% MMA

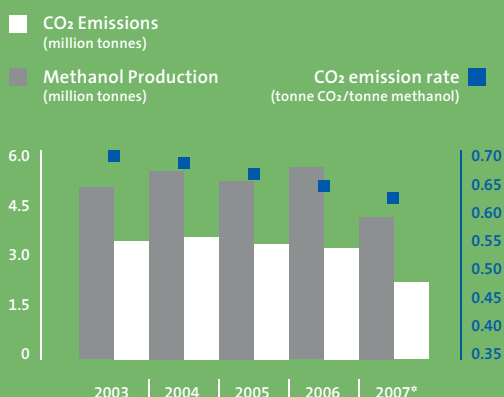


Global Chemical Consumption



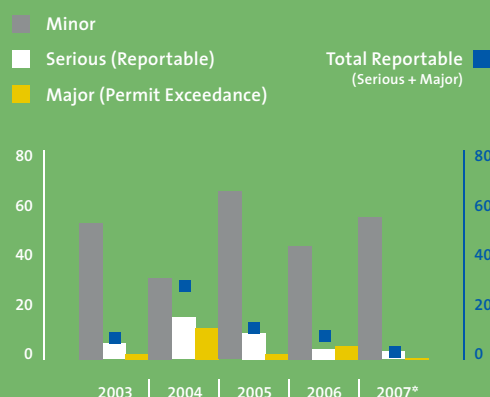
Data refers to consumption of wastewater treatment chemicals.

CO₂ Emissions vs. Methanol Production



The historic CO₂ emission values have been reviewed for accuracy: emissions values for 2005 and 2006 have been adjusted accordingly.

Total Environmental Incidents



Minor: A small spill or release that did not meet regulatory or Methanex spill reporting criteria. **Serious:** A spill or release event that required reporting either to a regulatory body, Methanex or both. **Major:** An event that caused contravention of the limits of the site environmental permit or licence.

Other Performance Measures

		2003	2004	2005	2006	2007*
Total energy use (excluding electricity)	GJ	192,680,000	208,977,000	207,507,000	235,251,100	174,866,469
Total electricity use	MWHR	241,000	297,000	260,000	241,008	210,751
Electricity self-generated – thermal	%	55	46	58	63	58
Electricity purchased – thermal	%	16	34	30	32	37
Electricity purchased – hydro	%	27	15	12	5	5
Electricity purchased – geothermal	%	2	6	0	0	5
Total freshwater use	m ³ /D	7,998,000	9,252,000	7,585,000	5,511,010	4,448,292
Ozone-depleting substance emissions	kg	0	0	0	0	0
Land owned, leased, managed or otherwise affected by Methanex	ha	876	1,011	707	674	739
Impact on protected areas (World Heritage sites etc.)		none	none	none	none	none
Magnitude and nature of penalties for non-compliance (environment, safety)	USD	none	none	none	none	none

* 2007 environmental performance figures were significantly impacted by the 1.6 million tonne decrease in methanol production from our Chile facility as a result of natural gas supply curtailments originating from Argentina.



Cleaner Water Production for a Cleaner World

Continuous improvement is a goal that has been implemented for many years at Methanex. In 2007, one of Methanex Chile's primary objectives was to improve environmental performance at the Punta Arenas site by building a new wastewater treatment system.

Over the years, as new plants were added to the Chile site, the wastewater treatment system had considerably higher use. Manual operation of the equipment and cleaning chemicals increased the possible risk of environmental incident due to human error. At the same time, new Chilean environmental legislation demanded better effluent monitoring and management.

A strategy was developed to implement a significantly re-engineered wastewater treatment system in three phases. In phase one, new processes were put in place to ensure that operational procedures were designed to prevent incidents. The water treatment system's original design was also modified to provide new water ponds to increase the system's capacity. This new system also includes a cleaning process that reduces the need for staff intervention.

Phases two and three, which will be incorporated in 2008, include the introduction of new technologies that control the management of liquid effluent. The process recovers effluents and recycles them into the production process, optimizing the use of natural and energy resources.

The new effluent management system will be fully operational by the end of 2008, guaranteeing water that meets the highest industry standards with little environmental impact.



Methanex plants in Chile.

Partnering for Green Solutions

Methanex Trinidad Limited was honoured with the 2007 General Electric (GE) Ecomagination Leadership Award for its Sea Cooling Water Biocide Optimization solution. This coveted award—typically less than one per cent of GE customers qualify—recognizes collaborative projects that deliver positive economic and ecologic impacts, with quantifiable results that are verified by both parties.

The innovative water treatment solution scored top marks on all fronts. Developed in partnership with GE Water & Process Technologies, this project emphasizes sensitivity to environmental impact and adherence to responsible practices. At the same time, it enhances operational performance, reduces chemical consumption and promises annual cost savings of more than US\$600,000.

The search for a new process was prompted by ongoing operational issues related to plugging in the seawater cooling tower screens. Because of restricted chlorine levels in the water and high levels of algae on the tower itself, the screens required regular cleaning that necessitated weekly shutdowns to the desalination unit. This, in turn, translated into lost production time as well as high costs and increased chemical use associated with the purchase of supplementary materials to clean the screens. The new solution has eliminated many of these challenges.



At the GE Ecomagination Leadership Award presentation were (l-r): Methanex Trinidad Limited's Production Engineer Steve Ramlal and Managing Director Charles Percy with GE Water & Process Technologies Account Specialist Rodney Phillip.



Medicine Hat remediation efforts.

Digging for Answers in Medicine Hat

When it comes to environmental issues, the values of Responsible Care are woven throughout Methanex's business practices. Employees are regularly involved in research and other investigative inquiries to minimize the impact of methanol on the environment.

In 2005, Methanex joined industry partners and the Alberta government to fund an environmental study in Medicine Hat, Alberta, Canada, that assessed the toxicological impact of methanol in soil. The results were used to develop methanol guidelines for generic soil and water remediation. If accepted by the Alberta Ministry of Environment, these will be the first methanol remediation guidelines of their kind to be adopted by a regulating body.

As part of the ongoing work at the shutdown of the Methanex Medicine Hat plant site, the initiative also presented an excellent opportunity for Methanex staff to test a range of extractive and in-situ methods of remediating methanol-impacted soil and groundwater. Now in its third year, the Medicine Hat project has had a stellar safety record, with zero lost-time injuries (injuries that result in a person missing work) reported. Staff will produce a comprehensive report in summer 2008 that examines the company's experiences with methanol-contaminated sites, the remediation methods used and the various lessons learned throughout the process.

The health and safety of the people who work at Methanex plant sites, terminals and offices is of the highest priority. We believe that all injuries are preventable, and we are continually improving our health and safety management systems at all company locations to achieve injury-free workplaces.

Methanex strives to be an employer of choice. The company has an enthusiastic global corporate culture that encourages communication and teamwork and rewards employees for continuous improvement and innovation. Methanex is also active in supporting employee education and training initiatives wherever it does business. In addition, we sponsor scholarships and co-op programs at local colleges and universities and provide hands-on student training programs at our manufacturing facilities.

Development of Employees

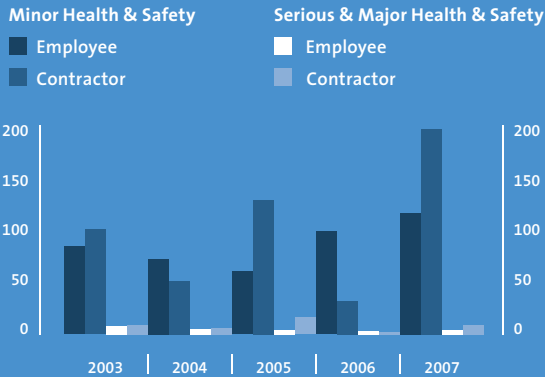
As an employer of choice, we recruit and retain high-quality, engaged people. Our ability to keep our employees engaged is partly achieved through employee development. Methanex has a three-tiered Leadership and Management Development program. In 2007, more than 200 Methanex staff, approximately 25 per cent of our global employees, attended leadership development programs.

Goals + Targets

Our goal is zero recordable injuries. Our primary measurement in this effort is the Recordable Injury Frequency Rate (RIFR), a standard industry measurement that allows us to compare Methanex's performance with that of our industry peers. In 2007, performance figures in this area were not as successful as previous years – health and safety programs are being reviewed and adjusted to address this.

Key Performance Indicators

Health and Safety (H&S) Incidents

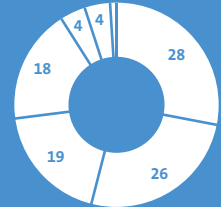


Minor Incident: Any H&S incident (including near misses) not resulting in a reportable injury. **Serious Incident:** An injury that requires restricted work (light duty) or medical attention (medical aid). **Major Incident:** A Lost Time Injury or more serious.

Employees by Region

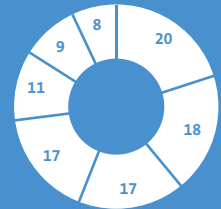
Includes temporary employees

- 28% Latin America
- 26% Caribbean
- 19% Asia Pacific & New Zealand
- 18% Canada
- 4% Europe
- 4% USA
- 1% Egypt

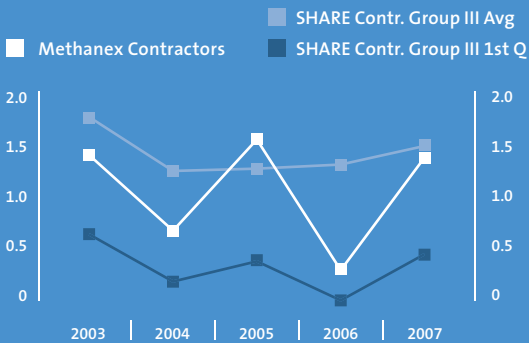


Length of Employee Service

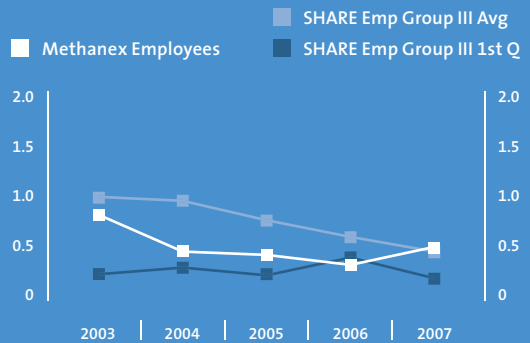
- 18% < 2 years
- 20% 2-4 years
- 9% 4-6 years
- 17% 6-10 years
- 11% 10-15 years
- 17% 15-20 years
- 8% 20+ years



Contractor Recordable Injury Frequency Rate



Employee Recordable Injury Frequency Rate



The recordable injury frequency rate (RIFR) is the number of recordable injuries per 200,000 hours worked. Recordable injuries include incidents that require medical attention, or that result in restricted work or lost time. SHARE (Safety and Health Analysis, Recognition and Exchange) is a database compiled by the Canadian Chemical Producers' Association (CCPA). Methanex benchmarks against the average (Avg) and first quartile (1st Q) Group III member companies of CCPA whose employees collectively work more than one million hours per year.

Other Performance Measures

		2003	2004	2005	2006	2007
Reportable injuries (employees & contractors)	#	17	11	16	5	13
Employee alignment with Methanex's purpose or mission*	%	69	69 †	73	73 †	75 ‡
Overall employee engagement*	%	66	66 †	59	59 †	63 ‡
Job satisfaction level*	%	80	80 †	80	78 †	75 ‡

* Employee Engagement Survey Results. † Employee Engagement Surveys are carried out every two to three years; numbers are carried over from the previous year.

‡ Figures reported for 2007 are the result of a survey conducted in early 2008.



Reaching New Standards of Responsible Care in Trinidad

Methanex Trinidad Limited took its commitment to Responsible Care one step further in December 2007 when it became the first Methanex plant site to attain RC 14001 certification. The site was also awarded certification to the ISO 14001 standard. This successful certification by Lloyd's Register Quality Assurance followed one year of intense activities to meet audit standards, including two internal audits.

RC 14001 is a technical specification created by the American Chemistry Council and Registrar Accreditation Board. It integrates rigorous third-party verification of ISO 14001—an international standard for environmental practices—with a number of Responsible Care components such as environmental protection, employee health and safety, community relations and product stewardship.

The effort to meet the RC 14001 target involved management, employees and contractors at all levels of the organization. Members of Methanex's Community Advisory Panel (CAP) also lent their support and were kept informed about the project's status through regular presentations at CAP meetings.

The recent certification now provides a benchmark against which Methanex Trinidad can maintain best practices and strive for continuous improvement.

"Our growth strategy continues to put priority on the protection of people," said Charles Percy, Managing Director, Methanex Trinidad Limited. "The RC and ISO certifications allow us to improve our management systems in conducting our business more responsibly."

Improving Safety Aboard Ships

Methanex's fleet of methanol tankers arrive at ports around the world with empty storage tanks ready to take on full cargoes of methanol. Before a vessel arrives at a loading port, it must first meet various safety checks and standards. One of the most crucial is the cleanliness standard of the vessel's storage tanks, which must be spotless to ensure there are no remaining residual chemicals that could contaminate incoming methanol.

The Wall Wash Test (WWT) has long been the common industry practice to verify the state of storage tanks' cleanliness. However, in recent years, there has been increasing concern about the impact of the WWT on a crew's health and safety due to the potential for methanol vapour exposure.

The WWT requires extensive preparation to carry out the necessary steps. A ship's crew typically enters the tanks several times during the cleaning process for prolonged periods of time, risking exposure to chemicals in an enclosed environment. In addition, most of the WWT preparation occurs while the vessel is at sea, making the work increasingly challenging and potentially dangerous when sea conditions become rough. Once in port, surveyors conducting the WWT also enter the tanks and risk potential exposure to chemicals in the tanks.

Methanex began questioning the necessity of this ingrained industry practice and found other options that not only greatly improved the safety of crew and surveyors, but also offered procedural efficiencies.

Methanex has now eliminated the WWT from all of its fleet tankers as well as its spot vessels, the first company in the methanol industry to do so. Procedures have been amended at our loading terminals to reflect this change. The First Foot Test, another industry procedure, now ensures that tanks continue to meet the required cleanliness standard with minimal risk to the crew. Other companies have since followed Methanex's lead. The end result is a win-win situation that has increased safety standards aboard vessels around the world and also added to procedural efficiencies.



Ongoing construction at Methanex's Egypt methanol project. The plant is scheduled for start-up in early 2010.

Building a Culture of Safety in Egypt

When Methanex began construction of its new methanol facility at Damietta, Egypt, in May 2007, everyone anticipated it would be a complex process. Building a methanol plant is never simple, but building one on a site with no service infrastructure and in a country with new business partners presented a unique set of challenges.

From a Responsible Care perspective, establishing a work site in Egypt with appropriate safety mechanisms was the first priority. This process began by educating the construction workforce about the importance of wearing proper safety gear such as hard hats, steel toe boots and eye protection. Concurrently, project managers developed and implemented systems to protect people throughout the construction process, from comprehensive orientation and hazard awareness training to procedures for incident reporting and emergency response.

Unfortunately, despite the best efforts of project managers, contractors and employees, in September 2007 a vehicle accident occurred on site, which resulted in a fatality. Following the tragedy, the entire organization stepped back to re-evaluate our Responsible Care systems. Efforts were re-focused on a number of safety topics—hazard analysis for individual jobs, traffic control, training and certification—and additional measures, such as enhanced site management reviews and ongoing assessment of employees' practices, were also introduced.

Today, safety remains a pervasive topic of conversation at morning toolbox meetings, project management meetings and project reviews alike. Since the incident, the rate of recordable injuries at the Damietta site has been extremely low, rivalling the best statistics of heavy construction sites around the world. Site staff continue to work hard to improve conditions and reinforce an attitude of safety, in anticipation of plant start-up in early 2010.

Making Safety History in New Zealand

In 2007, Methanex New Zealand celebrated two significant safety milestones. In February, the company marked seven years without a lost-time injury (LTI)—an injury that causes a person to miss work—among its employees. Seven months later, in November, the company achieved five years without an LTI among contractors.

There were a number of key projects that made the achievement of these milestones even more special. In 2003, the company's methanol-to-gasoline plant was demolished; in 2004, the Motunui plant was closed, entailing a comprehensive process to ensure equipment was safely shut down and preserved for future use; and in 2005, the company's methanol demonstration unit was dismantled and relocated to Trinidad. More recently, the Waitara Valley plant underwent a maintenance turnaround.

The extensive work to manage these projects safely, often with hundreds of extra people on site, required a strong focus on training and prudent procedures. These significant safety achievements reflect both the diligence of employees and the effectiveness of the measures in place throughout the company's operations.

Methanex believes in a culture of responsibility—where people care for the safety of themselves and others around them. This is at the heart of the Responsible Care ethic and there is no better way of demonstrating it than by keeping people safe, year after year.



A Safety Watch contractor observes a worker during Methanex's Waitara Valley plant turnaround.

At Methanex, we are committed to improving the quality of life in communities where we live and do business. Wherever Methanex operates, we establish an employee-run Social Investment Committee that devises a social strategy of community involvement aligned with Methanex's mission, core values and business objectives. We invest in our communities through a variety of social investment programs and through ongoing collaboration with our Community Advisory Panels at all of our manufacturing locations.

There are three ways that Methanex achieves its social investment objectives:

- » Partnering with employees through a matching grants partnership program for individual employees that encourages community fundraising efforts and volunteer activities.
- » Providing financial assistance to local community health and safety initiatives related to Responsible Care.
- » Supporting regional educational development through classroom initiatives and individual scholarship programs.

In addition to funding a wide variety of worthwhile community programs, Methanex employees contribute countless hours of volunteer time (both during regular working hours and on their own time) to their local communities.



Mentoring Our Children in Trinidad

When it comes to education, much learning takes place beyond the classroom. Methanex's "Mentoring Our Children" program in Trinidad is a prime example of how adults and young students in a community can learn and grow together.

Launched in June 2007, "Mentoring Our Children" was the idea of Kassie Seeteram, a Process Plant Operator at Methanex's Titan plant. He envisioned a program run by Methanex employees that encouraged talented students in the community to think about the future and the possibilities that exist with good education, sound values and responsible choices.

Guidance officers at two junior schools identified 15 students with high potential, whose families' financial challenges limited their regular attendance at school. To offset some of their education expenses, Methanex provided items such as school uniforms, supplementary textbooks and transportation funds.

Methanex mentors met with students for three hours one Saturday each month. Initially, the program's goals were to address issues that many children grapple with, such as peer pressure, anger management and personal values, and to coach them in critical subjects such as mathematics and English. More activities were soon added, from decorating carnival masks and flying kites to introducing social skills. Students were also invited to the Methanex site where they had the opportunity to tour the facility and chat with operators and laboratory personnel.

Now at the end of its pilot year, the program appears to be a success for all involved. Informal feedback from teachers indicates that the children are enjoying more confidence and improved academic performance. Mentors report a sense of fulfilment about making a difference in young people's lives.

Plans are now underway to explore the feasibility of working with the same students for a second year and how to rotate the program to other schools in the community. Much to everyone's delight, the program has also become a model for other organizations that want to address similar social issues.



Methanex's Trinidad facility.



David Quesnel, Methanex scholarship recipient with Bruce Aitken, Methanex President and CEO.

Supporting Global Education

In early 2007, as part of its ongoing commitment to education, Methanex's Social Investment Committee (SIC) at its Corporate Office in Vancouver, Canada, funded a full two-year scholarship to the prestigious Lester B. Pearson United World College of the Pacific on Vancouver Island. The scholarship, which the SIC designated for a student from Trinidad and Tobago, was awarded to a high school student from St. Xavier's School in Trinidad.

David Quesnel, who began his first year at the college in the fall of 2007, had the opportunity to visit Vancouver and Methanex's Corporate Office in March 2008. After meeting with fellow Trinidadian employees and Bruce Aitken, President and CEO, Methanex, David joined SIC members to talk about the Lester B. Pearson College program. He shared his insights about learning with a global student community and the powerful impact the scholarship has had on his life and his future, which includes plans to attend university.

Named after former Canadian Prime Minister Lester B. Pearson, the college each year welcomes 200 students selected from around the world, who attend on full scholarship and participate in community service throughout the school year. The goal is to use education as a catalyst for uniting people, nations and cultures for a peaceful and sustainable future.

A Healthy Thinking School

Thanks to Methanex's help, 'Healthy Thinking' has come to New Zealand's Waitara High School. A small town of approximately 6,000 residents, Waitara is the local community for Methanex New Zealand's Waitara Valley and Motunui plants.

The Healthy Thinking program is an initiative of the Healthy Thinking Institute, founded by New Zealand medical doctor, author, global speaker and coach Dr. Tom Mulholland. The program, which has traditionally enjoyed huge individual and corporate participation, focuses on how people's thinking can influence positive behavioural changes in their emotions, attitudes and actions.

Waitara now has the distinction of being the first "Healthy Thinking" school in the world. Launched in July 2007 and co-sponsored by Methanex, the new Healthy Thinking school program aims to reduce unhealthy emotions in students such as anger, stress and frustration. Students receive tools to help them understand the health link between their thinking, emotions and actions.

To date, approximately 20 students between the ages of 13 and 14 years and 10 staff members have participated in the program. These "Healthy Thinking Champions" receive individual assessments and readings, and also attend bi-weekly student meetings and regular workshops with Dr. Mulholland.

The students are currently developing an educational video that demonstrates how the Healthy Thinking philosophy and its key concepts can be applied to real-life youth experiences. The goal is to initially use the video in a future Healthy Thinking program for their peers at the high school, with the intention to eventually take the program to other schools nationwide.



Waitara Valley High School students in conversation with Dr. Tom Mulholland, founder of the Healthy Thinking program.

Improving Neighbourhoods in Chile

In 2007, Methanex partnered with the national petroleum company, Empresa Nacional del Petróleo (ENAP), the local Chilean government and the community of Punta Arenas to participate in *Quiero Mi Barrio* (I Love My Neighbourhood), a new co-operative social program aimed at enhancing the quality of life in Chile's communities.

The program focuses on four areas: culture, environment, security and social participation. Planned projects include the construction of a community centre, restoration of the Llau-Llau River and programs geared to improve housing and street life.

More than 190 families will benefit as a result of this unique collaboration, which not only improves community resources, but also helps to build residents' self-esteem through their active engagement in community initiatives. According to César Catalán, President of the Development Committee of Ríos Patagónicos, one of Punta Arenas' poorer neighbourhoods, "Many residents feel discriminated against simply because they live in a poor neighbourhood." One of *Quiero Mi Barrio's* goals is to diffuse this exclusion by encouraging local residents to work side-by-side with community organizations on various improvement projects.

Methanex and ENAP are already involved in a number of these initiatives through the volunteer efforts of their employees. One of their first joint projects was participation in the 2007 Punta Arenas Winter Carnival. Working with the NG Cirque of the World, young boys and girls from the Ríos Patagónicos area were trained in different circus arts and invited to perform at the annual carnival. The goal was to encourage at-risk youth to better integrate with their community, using the arts as a vehicle for change.

Methanex has also developed a comprehensive communications plan, including regular community bulletins and television news stories, to ensure residents are informed about issues, improvements and new initiatives in the neighbourhood.



A young Ríos Patagónicos resident holds a calendar produced by Methanex and ENAP, which contains environmental messages and photos of neighbourhood residents.

Product stewardship is a key element of Methanex's Responsible Care culture. Not only are we committed to making the highest quality product and delivering it safely to our markets and customers around the world, we also focus on reducing risk within our transportation and distribution system.

Methanex publishes technical information and safety data sheets to address important aspects of methanol safe handling and usage. We also continue to improve our methanol safety information and videos, and have translated them into a number of languages for use by our global plant workers and ship crew members. In addition, Methanex conducts regular Responsible Care seminars and methanol safety training sessions for stakeholders across the supply chain.

Goals + Targets

Sharing information about using and handling methanol safely is a key priority for Methanex staff globally, who collaborate with local terminal operators, business partners and customers to achieve high standards of safety across the supply chain. In 2007, 18 Responsible Care and methanol safety training seminars were carried out globally—exceeding internal targets for the year.



Methanol Safety in the Biodiesel and Wastewater Industries

Sharing information about the safe use and handling of methanol is a key priority for Methanex North America's Marketing & Logistics team. As the search for alternative energy sources has intensified, so has Methanex's focus on education programs targeted to people who use methanol in new applications.

Biodiesel manufacturing is currently one of the fastest growing new-use applications for methanol. Methanex partnered in December 2006 with the United States National Biodiesel Board (NBB) to ensure that its 400 plus members were well informed about safe handling of the chemical. Since then, Methanex has presented its "Using Methanol Safely" workshop at two NBB conferences and through four web-based education seminars. Participants learned about the fire, health and safety risks associated with handling methanol, and how best to manage them.

The use of methanol in wastewater treatment is another application garnering attention. In 2007, Methanex delivered methanol safety presentations at two of the industry's biggest conferences: the American Water Works Association Annual Conference & Exhibition and the Water Environment Federation Technical Exhibition and Conference.

Methanex North America continues to explore new avenues for spreading the word about methanol safety. Most recently, the team agreed to support the NBB's new alliance with the Missouri Department of Natural Resources by providing web-based safety seminars for members of the state's growing biodiesel industry.



Rotterdam Port

Customer Education in Europe

Judging by the excellent attendance at Methanex Europe's recent Responsible Care seminars, our customer education programs are definitely meeting a demand. The programs are designed to better inform customers about Responsible Care and related issues regarding the safe handling and use of methanol.

In November 2007, Methanex United Kingdom hosted its second seminar in the greater Teesside area. The day-long workshop built on the success of the previous year's event, with more focus on how Responsible Care strategies impact the supply chain after product is delivered to the Teesside terminal and how people can work safely with all chemicals.

Methanex was also invited to participate in a Responsible Care seminar presented by one of its European customers EuroResinas (the company produces formaldehyde and resins and distributes methanol to local consumers, including biodiesel manufacturers). Held in Sines, Portugal, in December 2007, the seminar attracted approximately 40 participants drawn from the industry sector. Responsible Care Co-ordinators from Methanex Europe spoke about Methanex's global supply chain, the safe handling of methanol and its end uses, and how Responsible Care touches every level of the company's operations.

Both events prompted discussions about best practices and how to integrate them into every aspect of business. The broad mix of presenters and participants, from sales and operations managers to carriers and emergency services personnel, further illustrates that Responsible Care is an integral part of how these companies operate and something embraced by all employees, not just those involved with safety issues.

Enhancing Safety in Asia Pacific

Regular safety and environmental assessments at the terminals where Methanex delivers and stores its products is another way we support our commitment to Responsible Care. In Asia Pacific, Methanex staff work actively with local terminal operators, business partners and customers to achieve high standards of safety across the supply chain.

In 2007, the introduction of the Chemical Distribution Institute's Terminal (CDI-T) audit standard at a number of Asia Pacific terminals raised these standards to a new level of excellence. The CDI-T is a well-recognized global industry standard for tank terminal management and operation designed to ensure the safe storage and transportation of bulk liquid chemicals. This standard has been successfully applied in other regions where Methanex operates.

Methanex's Asia Pacific team worked closely with terminal operators to encourage the adoption of these CDI-T standards. These efforts led to the successful implementation in 2007 of the CDI-T audit in six terminals in China and Korea. In some instances, this was the first time the facilities had undergone a CDI-T audit and such an extensive external inspection.

The audit results highlighted key areas for improvement, prompting terminal operators to develop plans for better performance in health and safety, environmental protection, community awareness and emergency response. These improvements have further reduced business risks and have enhanced the terminals from a sustainability perspective.

Methanex continues to work with our Asia Pacific partners to implement the CDI-T standard audit program in the remaining 12 terminals with which we do business. The goal is to complete all assessments by 2010.



Business Performance

Our business growth and financial performance are essential to Methanex's sustainability. A key focus for the company is to create long-term value for our shareholders.

Despite being affected by gas supply curtailments at our operations in Chile, 2007 was another outstanding year for Methanex. We generated \$376 million in earnings—representing a 19 per cent return on capital employed—and demonstrated the unique strength of our global supply chain. For a full account of Methanex's 2007 financial performance, please see the 2007 Methanex Annual Report on the Investor Relations section of our website at www.methanex.com/investor.

Methanex common shares are listed for trading on the Toronto Stock Exchange in Canada, the NASDAQ Global Market in the United States and on the Foreign Securities Market of the Santiago Stock Exchange in Chile.

2007 Financial Highlights

US\$ millions, except where noted

	2003	2004	2005	2006	2007
Operations					
Revenue	1,420	1,719	1,658	2,108	2,266
Net income	1	236	166	483	376
Income before unusual items (after-tax) ¹	181	236	224	457	376
Cash flows from operating activities ^{1,2}	329	372	330	623	494
Adjusted EBITDA ¹	386	434	452	800	652
Diluted per share amounts (US\$ per share)					
Net income	0.01	1.92	1.40	4.41	3.68
Income before unusual items (after-tax) ¹	1.44	1.92	1.89	4.18	3.68
Financial position					
Cash and cash equivalents	288	210	159	355	488
Total assets	2,082	2,125	2,106	2,453	2,870
Long-term debt, including current portion	777	609	501	487	597
Debt to capitalization ³	50%	39%	35%	29%	30%
Net debt to capitalization ⁴	38%	30%	26%	10%	7%
Other information					
Average realized price (US\$ per tonne) ⁵	224	237	254	328	375
Total sales volume (000s tonnes)	6,579	7,427	7,052	6,995	6,612
Sales of Methanex-produced methanol (000s tonnes)	4,933	5,298	5,341	5,310	4,569

1 Adjusted EBITDA, cash flows from operating activities, income before unusual items (after-tax) and diluted income before unusual items (after-tax) per share are non-GAAP measures.

2 The term "cash flows from operating activities" refers to cash flows from operating activities before changes in non-cash working capital.

3 Defined as total debt divided by total capitalization.

4 Defined as total debt less cash and cash equivalents divided by total capitalization less cash and cash equivalents.

5 Average realized price is calculated as revenue, net of commissions earned, divided by the total sales volumes of produced and purchased methanol.



Governance

Sound and effective corporate governance is essential to Methanex's long-term success and critical to the effective, efficient and prudent operation of the company. Corporate governance means having processes and structures in place that provide the proper management and direction for Methanex's business affairs.

Senior management and the Board of Directors of Methanex establish the company's direction with respect to Responsible Care and Corporate Social Responsibility. Through the Board's Responsible Care Committee, policies related to ethics, accountability, governance, financial returns, employment practices, business relationships, products and services, community involvement and environmental protection are developed and reviewed.

Our Responsible Care initiatives are supported by documented management systems. These systems are regularly audited to ensure compliance, identify opportunities for improvement and provide a way to share best business practices within the company.

In 2008, Methanex will undergo its third global Responsible Care re-verification conducted by the Canadian Chemical Producers' Association (CCPA). Every three years, third-party assessors from the CCPA conduct a global review of all our policies, procedures, systems and resource management to verify that Methanex is applying Responsible Care principles in all its operating practices.

More information about our corporate governance practices can be found on our website at www.methanex.com.

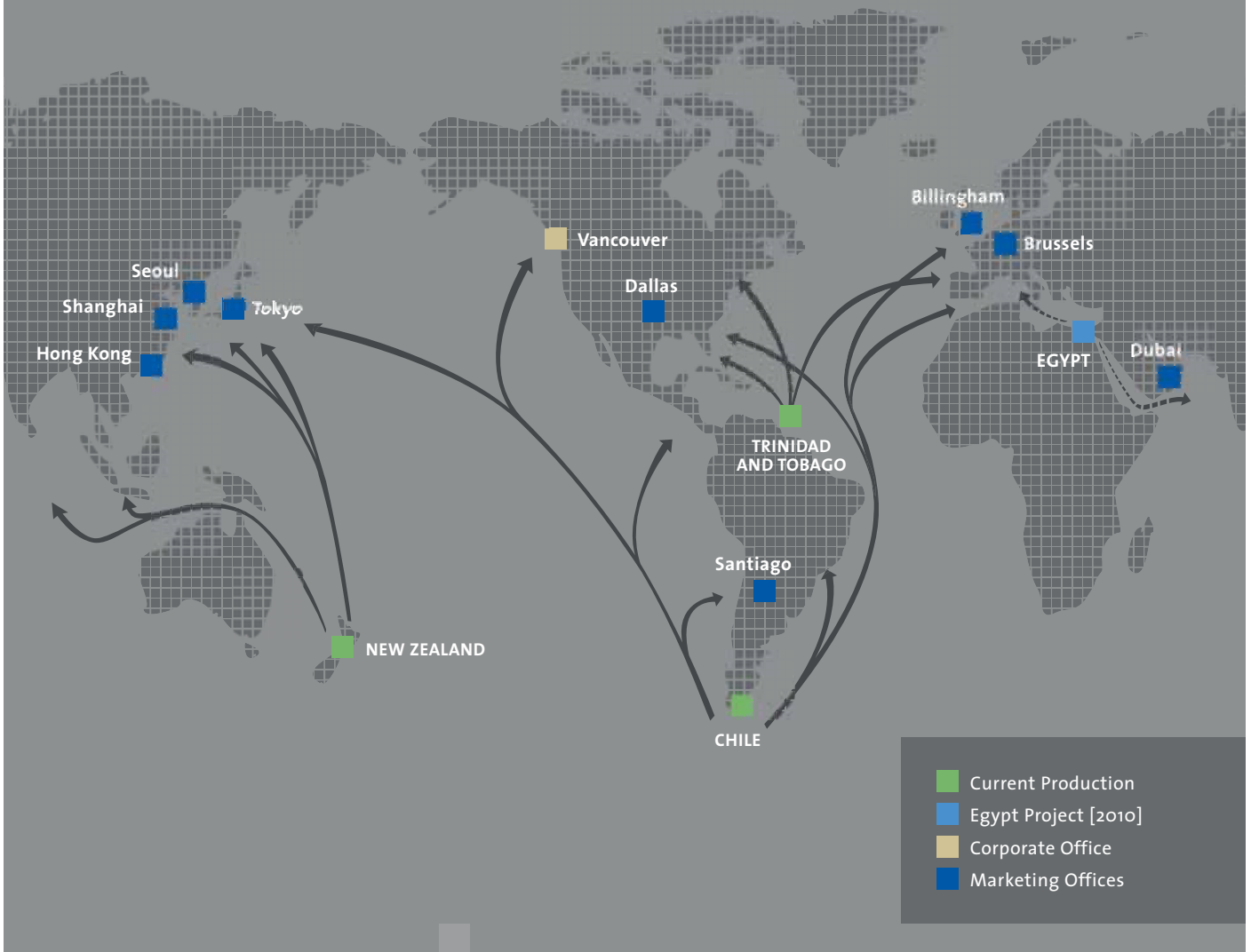
Code of Business Conduct

Methanex has a Code of Business Conduct designed to provide employees and directors with a set of standards to assist them in avoiding wrongdoing and to promote honest and ethical behaviour while conducting the company's business.

Methanex has installed a confidential toll-free hotline in each of our global offices to report any suspected violations of the Code.



Methanex's Global Operations



Responsible Care and CSR Regional Contacts

If you have questions or comments about this report or our Responsible Care and Corporate Social Responsibility activities, please contact us:

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