

our news

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Business update

Tēnā koe,



Thank you to all who have supported Methanex this year. We're proud of another year with an excellent safety record and continued investment in the Taranaki community.

There has been much to celebrate in 2021. We are proud to be recognized by the New Zealand Energy Awards for the community initiative of the year in May due to our work around strengthening our relationships with local hapū. This is on top of our other Responsible Care activities carried out over the last year and support towards other community organisations.

WorkSafe New Zealand formally approved the "Safety Case" for our four New Zealand sites, which demonstrates a pro-active approach to ensuring we our assets continue to be safe to operate. We have also invested in the maintenance of the plants, ensuring ongoing reliable, safe and efficient operation. A big thanks to our whole team who showed excellent agility in conducting this work while the plant was down during the winter months.

We continue to having lower than expected gas supply due to ongoing issues in the New Zealand energy sector. We agreed to shut a plant for 3 months earlier this year to support the electricity market, supplying gas back into the market to keep New Zealand's lights on and to help reduce coal imports. We're hoping that investments in the upstream gas sector pay dividends in 2022. We have large turnarounds at Motunui 1 and 2 in the coming years which will be needed investment to the Taranaki region. We are also looking into opportunities to reduce emissions from our existing assets through collaboration with our global team.

On a personal note, this will be my last newsletter as Managing Director of Methanex New Zealand. I will be returning to Canada and continuing to work for Methanex and advocate for this great business in New Zealand.

Thanks for your support and best wishes for the summer and the New Year.

Noho ora mai.

Dean Richardson
Methanex NZ Managing Director.

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Cunningham Construction bags big award for Methanex project

Cunningham Construction rose above the rest at the latest Scaffolding and Rigging New Zealand (SARNZ) Awards, which included winning a project built at Methanex's Motunui site.

The New Plymouth-based scaffolding company won four awards, the most out of any other firm. The project at Methanex impressed the 150 member companies who voted and won the 2021 SARNZ job of the year.

The work involved building scaffolding around one of Motunui's two 60-meter distillation towers before wrapping it up like a giant Christmas present. There is 110 tonnes of steel and 32 floors of layered scaffolding.

A 10-tonne lift is attached to the side of the scaffold to carry materials, equipment and people up and down.

The work ensures crews can carry out important corrosion repairs on the tower, which are done in a 10-yearly cycle.

The repair work will involve removing cladding and insulation, repairing

corroded areas before putting it back together again. It will also get a fresh lick of paint and fibreglass insulation.

Distillation is the final process of methanol production, making the repairs crucial.

Methanex's Projects and Planning Lead Phil Gard said Cunningham's were very thorough with their planning before they started.

"They drew a 3D model and it was down to the millimetre. It went up how it was designed," he said.

The wrapping around the scaffolding isn't the traditional shrink wrap commonly used in other scaffolding projects.

"It's a curtain sider, provides instant cover and its re-usable as well."

It can also be opened, so doesn't act like a sail in high winds.

Gard said Cunningham came up with new and effective ways of building scaffolding and is not surprised by the award.

Once repairs are completed, scaffolding will be taken down and erected around the neighbouring tower, Gard said.

Cunningham also won the trainee, training company and industrial/civil job of the year awards.



Scaffolding around a distillation tower is smothered by a re-usable curtain wrap.

Methanex winner at NZ Energy Excellence Awards

In May, Methanex won the Community Initiative of the Year award at the New Zealand Energy Excellence Awards.

The work was due to Methanex's commitment to strengthen the relationships with local iwi and hapū.

The category remains open to New Zealand energy sector organisations who have engaged and worked within the community to make a meaningful contribution.

With the support and guidance of Ngāti Rahiri hapū and others, for the past two years we have been working to meaningfully improve Māori cultural learning, understanding and responsiveness within the company.

This has included development of a Māori Engagement Strategy, holding workshops and arranging a marae visit with the Methanex leadership team, establishing staff focus groups and events to increase engagement and understanding.

Regular hui with Ngāti Rahiri hapū and leading to a Memorandum of Understanding to access agreed land and sponsorships was also achieved.

The Māori initiatives continued during Te Wiki o Te Reo Māori language week in September with weaving sessions, a Pā visit and hāngi cooked on site.

Methanex met the criteria for an outstanding initiative that has

"demonstrated wide-reaching benefits to both the organisation and community involved."



Members of Ngāti Rahiri and Methanex presented with an award at the Energy Excellence Awards.



Mari Innovator latest dual-fuel ship

Port Taranaki tugs Kinaki and Tuakana push the Mari Innovator into position.

After its commitment last year to build dual-fuel vessels, Methanex's subsidiary company, Waterfront Shipping's newest ship arrived at Port Taranaki in October.

The Mari Innovator is the first of the third-generation vessel in the company's ongoing fleet renewal programme to replace older ships with newer and more effective ones. It will strengthen the commitment to lower emissions.

Built in South Korea, the Mari Innovator is one of eight new ships expected to be completed in the next year.

By 2023, 60 percent of the shipping fleet will use methanol dual-fuel technology.

The name is derived from Marininvest, who are partners in the

ownership of vessels. They have a naming protocol where the name for all of their vessels starts with the prefix 'Mari'. Innovator is to reflect the innovation around the vessel and especially the third generation methanol fuel engine.

Waterfront Shipping president Paul Hexter said methanol is a practical cost-competitive and safe maritime fuel for the commercial shipping industry to suit the latest regulations.

They will be built with two-stroke, dual-fuel engines, meaning the vessels can run on methanol or traditional marine fuels.

As is customary when vessels make its maiden visit to the port, the captain is presented with a plaque by Port Taranaki.

Safety Case approved

Methanex's crucial Safety Case has been given the tick of approval by WorkSafe New Zealand.

Under law, Methanex is required to produce a Safety Case due to having four major hazard facilities (Motunui, Waitara Valley, Omata Tank Farm and Port Taranaki).

The detailed document is reviewed every five years and demonstrates safety systems, how to eliminate or minimise hazards/risks and how to prepare and respond to incidents.

The Safety Case operates within four main sections including facilities description, safety management system, safety assessment and emergency plan.

A key element to the Safety Case is keeping the community informed. Methanex has established relationships with emergency services and local authorities and will work in coordination with them to ensure the community is well connected. Residents may be notified via phone call, door-knocking, social media, maildrop, e-text alert and newsletter.

The number one priority for the business is the safety of its people, the community and environment and the Safety Case considers all of those factors.

Given Methanex is a Responsible Care Company, it adheres to the highest principles of health and safety, environmental stewardship and social responsibility.



Sustainability Report

Methanex has released its sustainability report which highlights progress on environmental, social and governance topics during the last year.

The 70-page report focuses on the material topics of the business and stakeholders, including how to manage greenhouse gas (GHG) emissions and the transition to a low-carbon economy, safety, diversity and inclusion and the important role of the methanol in society.

The business is already making gains. Last year, it obtained international sustainability and carbon certification for biomethanol production in the United States and produced its first bio-methanol at the Geismar plant. They also made continual investments in energy efficiency improvements to reduce GHG emissions intensity in its

operations.

This is on top of ordering eight additional methanol-fuelled vessels in the Waterfront Shipping fleet, expected to arrive by 2023.

The report said by managing risks and conducting operations in an environmentally and socially responsible manner, Methanex can meet the expectations of stakeholders and reinforce its leadership position in the industry.

“We believe that managing these risks and opportunities contribute to long-term value creation, protects our reputation, enhances our resilience and contributes to the sustainability of our business,” the report said.

Methanex President and Chief

Executive Officer, John Floren, said he’s looking forward to a path of sustained economic recovery after Covid-19 and remains committed to safely and reliably produce and supply a product that delivers many key benefits.

“The sustainability journey continues to evolve along with growing societal and stakeholder expectations”, he said.



Safe, team effort at Waitara Valley

A mammoth team effort at Waitara Valley resulted in multiple projects being completed without any incidents.

Crews were tasked with annual statutory inspections and worked on two package boilers and tails and acid tanks.

Substantial emergency civil work was completed on the boilers including structural support and foundation repairs.

Teams had to work 12 hour shifts six to seven days a week. They completed

the work without incident and even navigated through strict Covid-19 restrictions. A tough challenge given crews had to be socially distanced and wore face coverings.

Many of Methanex’s departments were involved in the projects from maintenance, operations, technical and Responsible Care.

The team of local and specialist New Zealand contractors were led by Mechanical Technician Tony Martin. He

had excellent support from the staff in the control systems team too.

The work emphasised a one-team approach across Methanex with work completed to a high standard.

Waitara Valley’s distillation two tower was also restarted given additional gas was available. Having the tower operational allows Methanex to operate at higher rates and to its capacity.

Methanex Director, Commercial, Byron O’Neill said without the boilers, Methanex is limited with how much methanol can be distilled and therefore produced.

But having the distillation tower online means Methanex can “use all available gas as well as secure any further opportunistic strips of gas that become available”, he said.

The work completed ensures the availability of the equipment for many years to come.



We welcome your feedback

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