Forward-looking Statements & Non-GAAP Measures

Information contained in these materials or presented orally on the earnings conference call, either in prepared remarks or in response to questions, contains forward-looking statements. Actual results could differ materially from those contemplated by the forward-looking statements. For more information, we direct you to our 2016 Annual MD&A and our fourth quarter 2016 MD&A, as well as slide 32 of this presentation.

This presentation also contains certain non-GAAP financial measures that do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. For more information regarding these non-GAAP measures, please see our 2016 Annual MD&A and our fourth quarter 2016 MD&A.
Investment opportunity

Global Methanol Leader
- Leading market share and competitive assets

Strong Cash Flow Generation & Distributions
- Solid cash generation capability
- Track record of returning excess cash – over 50% of shares bought in last 20 years
- Dividend raised 11 times since implemented 2002; $1.10/share

Positive Long-term Industry Outlook
- Healthy demand growth outlook
- Limited new supply

Growth Potential
- Production: Very low capital cost growth opportunity in Chile
- Market: Demand growth into energy applications & MTO

Value
- Trading at a discount to replacement cost
• ~66 million tonnes global demand in 2016\(^1\)
• Top producers ~ half of global sales
• Methanex is the global leader
  • ~14% share of global market\(^2\)
  • Unique global position with sales in all major regions

\(^1\) Excluding integrated coal-to-olefins (CTO) demand.
\(^2\) Includes Methanex’s share of total methanol sales excluding methanol consumed by CTO producers.
Methanol end uses

- Acetic Acid: Plioece, Adhesives, Paints
- Formaldehyde: MDF, Plywood
- Silicone: Sealants, Lubricants, Medical Applications, Insulation
- Methyl Methacrylate: PMMA-LCD Screens, Automotive
- MTBE: Methyl Tert Butyl Ether
- Olefins: Plastics, Ethyl propylene
- Marine Fuel: Bunker Replacement
- Dimethyl-ether: LPG Replacement
- Fuel Blending: Blending with gasoline
- Bio-Diesel: Replacement for Ethanol in the Bio Diesel Market

Methanol: What's it used for?

Traditional Uses (55% of Demand)

Energy & MTO (45% of Demand; High Growth)
Strong demand growth

- Projected 5% CAGR for four years to 2020, led by MTO


Excludes integrated methanol demand for methanol to olefins and propylene.
Demand/supply balance

- Demand expected to outpace new supply
- Supply gap expected to be closed through higher operating rates for existing higher cost China plants, or lower demand
- Estimated capacity additions exclude potential shutdowns

Sources: Demand from IHS Chemical, “Chemical Supply and Demand Balance Update 2017.” Excludes demand from upstream-integrated coal-to-olefins plants. *Capacity figures from Methanex
Reinvestment economics

<table>
<thead>
<tr>
<th>Natural gas $/mmbtu</th>
<th>Realized Methanol Price - $/ tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>300</td>
</tr>
<tr>
<td>5.0</td>
<td>2%</td>
</tr>
<tr>
<td>4.0</td>
<td>0%</td>
</tr>
<tr>
<td>3.0</td>
<td>5%</td>
</tr>
<tr>
<td>2.0</td>
<td>8%</td>
</tr>
</tbody>
</table>

Key Assumptions: Replacement cost of $1,100/tonne based on published estimates for the OCI 1.75 million MT Natgasoline project and G2X Lake Charles 1.4 million MT plant. Maintenance capital $10 million/yr, freight $80/tonne (US to Asia), 30% tax rate, 2% inflation

Source: Methanex

- Long-term price required to reach Methanex return target exceeds $400/tonne
- Any investment decision for Methanex would also require mitigation of the following risks:
  - Capital cost escalation
  - Gas supply and price
  - Logistics solution for delivery to Asia
  - Visibility on carbon price and other regulations
Illustrative methanol industry cost curve

- Flat portion of cost curve provides floor price support in lower energy price environment
- Steep high end includes Coastal China high cost coal and natural gas based production
- Other higher cost regions are Russia, East Europe, Netherlands, India, and South America
- Methanex plants are well positioned on cost curve to be competitive through all points in the methanol price cycle

Source: Methanex
Methanol as Energy

- Methanol is primarily made from natural gas, and is a liquid fuel and oil product alternative.
- High priced oil versus natural gas creates substitution incentive.
- Energy applications emerged post 2008 when the ratio of oil $/bbl and natural gas $/mmbtu prices exceeded 15:1 (current ratio is 22:1).

Source: Historical annual data and forecast from IHS Chemical, January 2017
Methanol-to-Olefins (MTO)

- MTO production mostly highly integrated with downstream products
- Very difficult to source ethylene feedstock from alternative source
- Degree of integration means plants tend to keep running

Natural Gas or Coal Feedstock

Synthesis Gas

Methanol

Ethylene

- Polyethylene
  - EDC
  - EO
  - Ethyl benzene

Polypropylene

- Polypropylene
  - ACN
  - PO
  - Cumene

Propylene

- Ethylene
  - PVC
  - MEG
  - Styrene

- Polypropylene
  - Synthetic rubbers
  - Polyether polyols

- Propylene
  - Phenol

- Cumene
  - Phenol

Feedstock:
- Methanol
- Natural Gas
- Coal

Products:
- Food packaging, plastic bags
- Pipes, window frames
- Textile, bottles
- Insulation cups, models
- Food container, bottles
- Household & consumer goods
- Building isolation, bedding
- Insulation cups, models

Methanex: the power of agility
MTO leading methanol demand growth

- Two new plants started up in December, 2016
  - Combined demand potential over 3 million tonnes at full rates
- Two more new plants later in 2017 or early 2018
  - Combined demand potential of over 2.5 million tonnes at full rates

* Potential demand based on 90% operating rate. Excludes demand and capacity for methanol-to-propylene plants (“MTP”)
Fuel blending
China fuel demand growth expected to continue

- Since 2004, sixteen provinces have issued local standards on methanol-blended fuel, most of which are for low level methanol-blended gasoline.
- China’s high blend (M85-M100) methanol vehicle pilot program has grown from three provinces/regions in 2012 to five currently with further expansion planned for 2017/18.
Emerging market – marine fuel

- 100,000+ commercial vessels in the world operating on high sulphur Heavy Fuel Oil (HFO). Methanol is sulphur free.
- International Maritime Organization
  - Reduced allowable sulphur limits in N. Europe and N. America to 0.1% in January 2015 - precludes HFO.
  - In late 2016, announced global sulphur cap of 0.5% starting in 2020.
- China phasing in regulations to reduce sulphur and NOx from marine fuels over next few years (coastal and inland)
- Marine fuels global market size: ~650 million tonnes per annum methanol equivalent

The above chart shows Marpol Annex VI (IMO regulations) for allowable sulphur emissions in Existing Emission Control (“ECA”) areas, as well as global limits expected by 2020.

Source: IMO
Positive marine fuel developments

- Waterfront Shipping launched seven new 50,000 dwt vessels in 2016 with methanol dual-fuel MAN 2-stroke engines
- Stena Line converted Germanica ferry to run on methanol in 2015 using Wartsila 4-stroke engines
- Projects under development in Europe to commercialize the smaller engine/tug market (i.e. GreenPilot, LeanShips)
Emerging Market - Industrial Boilers

Significant potential to substitute coal-fueled industrial boilers in China

- China’s air quality emissions regulations are leading to phasing out of coal-fueled boilers in favor of cleaner fuels including methanol
- Currently ~1/2 million coal-fueled industrial boilers in China
  - ~500+ million tonnes per annum methanol demand equivalent¹
  - ~1,300 methanol-fueled boilers (~1.5 million tonnes per annum methanol demand) already in operation in China. ²
- Strong business case for methanol compared to diesel & natural gas: ²
  - Competitive fuel, infrastructure, and conversion costs
  - Lower emissions than diesel
- Methanex is supporting the development of national standards for methanol-fueled industrial boilers to ensure safe and sustainable market growth

2. China Association of Alcohol and Ether Clean Fuels and Clean Automobiles (CAAEFA) (December 2016)
Methanex annual production capacity

<table>
<thead>
<tr>
<th>Location</th>
<th>Year Built</th>
<th>000 tonnes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisiana, USA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Geismar 1</td>
<td>2015</td>
<td>1,000</td>
</tr>
<tr>
<td>Geismar 2</td>
<td>2015</td>
<td>1,000</td>
</tr>
<tr>
<td>Medicine Hat, Alberta</td>
<td>1981</td>
<td>600</td>
</tr>
<tr>
<td>New Zealand</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motunui 1 ¹</td>
<td>1985</td>
<td>950</td>
</tr>
<tr>
<td>Motunui 2 ¹</td>
<td>1985</td>
<td>950</td>
</tr>
<tr>
<td>Waitara Valley</td>
<td>1983</td>
<td>530</td>
</tr>
<tr>
<td>Trinidad</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Titan</td>
<td>2000</td>
<td>875</td>
</tr>
<tr>
<td>Atlas (63%)</td>
<td>2004</td>
<td>1,125</td>
</tr>
<tr>
<td>Egypt (50%)</td>
<td>2011</td>
<td>630</td>
</tr>
<tr>
<td>Chile I, IV</td>
<td>1988 / 2005</td>
<td>1,720</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>9,380</strong></td>
</tr>
</tbody>
</table>

¹ Potential total capacity for Motunui plants is 1.7 to 1.9 million tonnes depending on natural gas composition
Methanex global supply chain

Production Sites
Global Office Locations
Distribution Terminals and Storage Facilities
Shipping Lanes
Production Doubled Versus 2010

Production Volume – Methanex Share
(millions of tonnes)

* Run-rate operating rate assumptions:
Geismar / Medicine Hat – 100%; NZ 92% (2.2MM tonnes); Trinidad 85%; Egypt 50%; Chile I 100%; Chile IV 0%
Chile Growth Opportunity

• Highly value accretive investment opportunity to restore Chile to a two-plant operation (1.7 million tonnes) at a very low capital cost
• Expect sufficient gas available to run a minimum of one plant for medium term
• Decision by mid 2017 on restart of Chile IV
• Preliminary cost estimate to restart idle Chile IV facility of $50 million over 12 months (starting in mid-2017)
• Additional approximately $50 million in mid-2018 to refurbish Chile I
  • Subject to securing additional economic gas sufficient for a two-plant operation
Financial results

- Average Modified ROCE of 12% from 2007-2016

1) Adjusted EPS = Adjusted net income per common share attributable to Methanex shareholders (excludes the after-tax mark-to-market impact of share-based compensation and the impact of certain items associated with specific identified events)

2) Modified ROCE = Adjusted net income before finance costs (after-tax) divided by average productive capital employed. Average productive capital employed is the sum of average total assets (excluding plants under construction) less the average of current non-interest-bearing liabilities.

3) Adjusted net income, Adjusted EPS and Modified ROCE are non-GAAP measures - for more information regarding this non-GAAP measure, please see our 2015 annual MD&A
Valuation considerations

- Methanex is trading at a discount to replacement cost

<table>
<thead>
<tr>
<th></th>
<th>Operating Capacity</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA (Geismar)</td>
<td>2.0</td>
</tr>
<tr>
<td>Canada (Medicine Hat)</td>
<td>0.6</td>
</tr>
<tr>
<td>New Zealand</td>
<td>2.4</td>
</tr>
<tr>
<td>Trinidad</td>
<td>2.0</td>
</tr>
<tr>
<td>Chile</td>
<td>0.9</td>
</tr>
<tr>
<td>Egypt</td>
<td>0.6</td>
</tr>
<tr>
<td>Total Capacity</td>
<td>8.5</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Enterprise Value (billions) 2</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA (Geismar)</td>
<td>5.2</td>
</tr>
<tr>
<td>Canada (Medicine Hat)</td>
<td>610</td>
</tr>
</tbody>
</table>

“What if Geismar and Medicine Hat were valued at estimated replacement cost 4 of $1,100/tonne?”

<table>
<thead>
<tr>
<th></th>
<th>Capacity millions of tonnes</th>
<th>Enterprise Value $billions</th>
<th>$/tonne</th>
</tr>
</thead>
<tbody>
<tr>
<td>N. America Assets</td>
<td>2.6</td>
<td>$2.9</td>
<td>$1,100</td>
</tr>
<tr>
<td>Other Jurisdictions</td>
<td>5.9</td>
<td>$2.4</td>
<td>$400</td>
</tr>
</tbody>
</table>

Enterprise Value 8.5 $5.2 $610

“Implies market is paying no more than $400 per tonne for the remaining 5.9 million tonnes of operating capacity”

1 Methanex ownership interest
2 Based on share price of US$45 and net debt adjusted for 50% interest in Egypt Project and 63.1% interest in Atlas project
3 Figures do not give any value for: idle Chile IV capacity, Waterfront Shipping and Marketing/Franchise
4 Replacement cost of $1,100 based on recently published estimates from the OCI Natgasoline project (1.8 million MT plant) and G2X Lake Charles (1.4 million MT plant)
Valuation considerations

• Strong cash generation capability at a range of methanol prices

<table>
<thead>
<tr>
<th>Annual Operating Capacity¹ (millions of tonnes)</th>
<th>Full Operating Capacity</th>
<th>Full Potential (Chile 100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>With Egypt &amp; Trinidad Restrictions ²</td>
<td>7.7</td>
<td>8.5</td>
</tr>
<tr>
<td>Average Realized Price ($/MT)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$300</td>
<td>650</td>
<td>775</td>
</tr>
<tr>
<td>$350</td>
<td>925</td>
<td>1,075</td>
</tr>
<tr>
<td>$400</td>
<td>1,200</td>
<td>1,400</td>
</tr>
<tr>
<td>Adjusted EBITDA Capability ($ millions)⁴</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$300</td>
<td>375</td>
<td>475</td>
</tr>
<tr>
<td>$350</td>
<td>575</td>
<td>700</td>
</tr>
<tr>
<td>$400</td>
<td>800</td>
<td>925</td>
</tr>
<tr>
<td>Free Cash Flow Capability ($ millions)⁵</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$300</td>
<td>9%</td>
<td>12%</td>
</tr>
<tr>
<td>$350</td>
<td>14%</td>
<td>17%</td>
</tr>
<tr>
<td>$400</td>
<td>20%</td>
<td>23%</td>
</tr>
</tbody>
</table>

1 Methanex interest (63.1% Atlas, 50% Egypt)
2 Assumed operating rate 100% except Trinidad (85%), Egypt (50%), Chile (one 0.9 million MT plant only), and New Zealand (2.2 MM tonnes vs. 2.4 MM tonnes capacity). We cannot predict actual gas restrictions at these plants.
3 Includes full nameplate capacity except Chile IV (0.8 million MT plant).
4 Adjusted EBITDA reflects Methanex’s proportionate ownership interest and assumes plants operate at full production rates except where indicated.
5 After cash interest, maintenance capital of approximately $80-90 million, cash taxes, debt service and other cash payments.
6 Based on 90 million weighted average diluted shares for Q4, 2016 and share price of US$45/share.
EBITDA and Free Cash Flow ("FCF") capability sensitivities

Sensitivities versus Base Case of:

- Price (ARP): $350/tonne
- Volume: 8.5 MM MT
- EBITDA Capability: $1.1 Billion
- FCF Capability: $700 million
Liquidity & capex outlook

- Strong financial and liquidity position

<table>
<thead>
<tr>
<th>Liquidity as at Q4-16</th>
<th>Capital Structure as at Q4-16¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>(US$ millions)</td>
<td>(US$ millions)</td>
</tr>
</tbody>
</table>

| Cash (MX Share)   | 211 | Total Shareholders’ Equity | 1,597 |
| Undrawn Credit Line (Dec ’19) | 300 | Total Debt                | 1,371 |
|                     |     | Total Debt/Capitalization | 46%   |
|                     |     | Net Debt/Capitalization   | 42%   |
|                     |     | Net Debt/Enterprise Value² | 22%   |

¹ Includes Methanex share of debt and cash for joint ventures
² Based on stock price of US$45/share
## Balanced approach to capital allocation

<table>
<thead>
<tr>
<th>Essential</th>
<th>Priority</th>
<th>Discretionary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt Service</td>
<td>Meaningful, Sustainable, Growing Dividend</td>
<td>Growth Capital</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td>Share Buybacks</td>
</tr>
</tbody>
</table>

### Essential
- $95 MM annual interest expense
- $25 MM share of NCI debt payments
- Next maturity - $350MM, end of 2019
- $80 MM avg. annual maintenance capex

### Priority
- Dividend $1.10/share annually and approximately $100 million per annum
- Yield ~2.2% at US$50 share price
- “Meaningful” range of 1.5%-2.5%

### Discretionary
- Strict project return criteria, no growth planned beyond Chile in medium term
- Committed to return excess cash via share buybacks

- Dividend $1.10/share annually and approximately $100 million per annum
- Yield ~2.2% at US$50 share price
- “Meaningful” range of 1.5%-2.5%
Returning cash to shareholders

- Dividend of $0.275/share per quarter (current yield ~2.2%\(^1\))
- ~47% of shares bought back since 2000

\(^1\) Assumes a share price of US$50/share
Key Corporate Governance Highlights

**Corporate Governance**
- 11 of 12 Independent Directors
- Separate chair and CEO
- All Committee members are independent
- Strong risk and strategy oversight
- Board diversity policy; 25% women
- Active Board renewal process
- Annual Board, Committee and director evaluations
- Board orientation and education
- Code of business conduct
- In camera sessions at every Board and Committee meeting
- Diverse skills matrix including oil and gas and chemical industry experience, former CEOs, finance, capital projects, health and safety, government and public affairs

**Director Compensation**
- Required director equity ownership of 2x total annual retainer
- Prohibition on hedging
- Not eligible for stock options

**Shareholder Rights**
- Annual election of directors
- Individual director elections
- Director majority voting policy
- Annual “Say-on-Pay”
Methanex is Committed to Responsible Care®

• At Methanex, Responsible Care® is the foundation of everything we do and a key element of our global culture:
  » community safety
  » employee health and safety
  » environmental protection
  » product stewardship
  » social responsibility
• As an industry, we must continue to embrace and promote Responsible Care®
Management alignment

• Executive shareholding requirements:
  • CEO - 5 times salary in Methanex shares or share units
  • Senior executives (5 members) – 3 times salary
  • Other senior management (~50 employees) – 1 times salary

• Short-term incentive linked to ROCE (return on capital employed)

• Long-term incentive targets:
  • Stock options and share appreciation rights
  • Performance share units
    • Payout ratio linked to total shareholder return

“.....Management does well when shareholders do well!”
Summary

- Global leader with competitive assets
- Solid franchise value that is difficult to replicate
- Global marketing, supply chain and shipping network
- Strong financial position

- Expect strong cash generation
- Low capital cost growth potential in Chile
- Dividends / share buybacks

Committed to Return to Excess Cash to Shareholders
Forward-looking information warning

This Presentation, our Fourth Quarter 2016 Management’s Discussion and Analysis (“MD&A”) and comments made during the Fourth Quarter 2016 investor conference call contain forward-looking statements with respect to us and our industry. These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. Statements that include the words "believes," "expects," “may,” "will," “should,” “potential,” “estimates,” “anticipates,” “aim,” “goal” 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 or restart of idled capacity and timing for start-up of the same; expected shutdowns (either temporary or permanent) or restarts of existing methanol supply (including our own facilities), including, without limitation, the timing and length of planned maintenance outages; expected methanol and energy prices; expected levels of methanol purchases from traders or other third parties; expected levels, timing and availability of economically priced natural gas supply to each of our plants; capital committed by third parties towards future natural gas exploration and development in the vicinity of our plants; our expected capital expenditures, anticipated operating rates of our plants, expected operating costs, including natural gas feedstock costs and logistics costs; expected tax rates or resolutions to tax disputes; expected cash flows, earnings capability and share price; availability of committed credit facilities and other financing; our ability to meet covenants or obtain or continue to obtain waivers associated with our long-term debt obligations, including, without limitation, the Egypt limited recourse debt facilities that have conditions associated with the payment of cash or other distributions and the finalization of certain land title registrations and related mortgages which require actions by Egyptian governmental entities; expected impact on our results of operations in Egypt or our financial condition as a consequence of civil unrest or actions taken or inaction by the Government of Egypt and its agencies; our shareholder distribution strategy and anticipated distributions to shareholders; commercial viability and timing of, or our ability to execute, future projects, plant restarts, capacity expansions, plant relocations, or other business initiatives or opportunities; our financial strength and ability to meet future financial commitments; expected global or regional economic activity (including industrial production levels); expected outcomes of litigation or other disputes, claims and assessments; and expected actions of governments, government agencies, gas suppliers, courts, tribunals or other third parties.

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: the supply of, demand for and price of methanol, methanol derivatives, natural gas, coal, oil and oil derivatives; our ability to procure natural gas feedstock on commercially acceptable terms; operating rates of our facilities; receipt or issuance of third-party consents or approvals, including, without limitation, governmental registrations of land title and related mortgages in Egypt and governmental approvals related to rights to purchase natural gas; the establishment of new fuel standards; operating costs, including natural gas feedstock and logistics costs, capital costs, tax rates, cash flows, foreign exchange rates and interest rates; the 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; absence of a material negative impact from changes in laws or regulations; absence of a material negative impact from political instability in the countries in which we operate; and enforcement of contractual arrangements and ability to perform contractual obligations by customers, natural gas and other 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 the supply, demand and price for methanol and its derivatives, including demand for methanol for energy uses, the price of natural gas, coal, oil and oil derivatives; our ability to obtain natural gas feedstock on commercially acceptable terms to underpin current operations and future production growth opportunities; the ability to carry out corporate initiatives and strategies; actions of competitors, suppliers and financial institutions; conditions within the natural gas delivery systems that may prevent delivery of our natural gas supply requirements; competing demand for natural gas, especially with respect to domestic needs for gas and electricity in Chile and Egypt; actions of governments and governmental authorities, including, without limitation, the implementation of policies or other measures that could impact the supply of or demand for methanol or its derivatives; 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 or existing contractual arrangements; world-wide economic conditions; and other risks described in our annual 2016 Management’s Discussion and Analysis and our Fourth Quarter 2016 Management’s Discussion and Analysis.

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 implied by forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.
Q & A
Appendix
Methanol is...

- Primarily produced from natural gas
Methanol usage...

...by derivative

- Formaldehyde 28%
- Acetic Acid 10%
- MTBE 11%
- DME 5%
- MTO 15%
- Fuel Blending 11%
- Biodiesel 3%
- Other 17%

...by region

- China 51%
- Asia Pacific (ex. China) 18%
- Europe 17%
- Latin America 3%
- North America 11%

Source: Methanex – year ended December 31, 2016

APPENDIX
Methanex realized pricing history

- Methanex posts reference prices monthly in Asia and North America and quarterly in Europe
- Realized pricing is lower than reference prices due to discounts specified in contracts

Source: Methanex, December 31, 2016
Methanol consumers

- Concentrated consumer base
  - 30% of global demand from top 20 consumers
- Main consumers are large, global chemical and China MTO companies:
  - Celanese, BP, Momentive, Skyford, Sabic, BASF, etc.
- Methanex supplies primarily traditional chemical derivative customers who value:
  - Security of supply
  - Global presence
  - Quality product
Benefits of methanol as a vehicle fuel

- Liquid fuel – can be blended with gasoline and ethanol in today’s vehicles at minimal incremental costs.
- Clean burning fuel that produces fewer smog causing emissions when blended with (or substituted for) gasoline.
- High octane fuel which improves vehicle power and efficiency.
- A safe fuel which biodegrades quickly (compared to petroleum fuels) in case of a spill. The toxicity is similar to gasoline.
- No material technical hurdles either in terms of vehicle application or of distribution infrastructure to introduce methanol significantly into a marketplace.
- Can be produced from renewable feedstock.

For further information, see June 6, 2011 MIT study “The Future of Natural Gas” (section on Conversion to Liquid Fuels beginning page 125 of the report) at http://mitei.mit.edu/publications/reports-studies
Methanol value proposition as a vehicle fuel

- Methanol is an affordable gasoline substitute in China, and can reduce overall emissions versus gasoline.
- In dedicated methanol vehicles and at high blends (M85 and M100), methanol burns more efficiently than gasoline.
- Most fuel blending in China is at low percentages and sold based on volume.

APPENDIX

China (Nanjing) Wholesale Gasoline Price: $2.83/gallon February 28, 2016

* Net of 17% VAT. Sources: Oil and Gas China, US Department of Energy, Methanex
Methanol as a marine fuel

- Methanol (MEOH) achieves low emissions & bridge to lower CO₂ in the future (renewable/bio methanol)

Source: Stena lines
Emission reductions when compared to heavy fuel oil
Costs are low to convert and operate methanol-fueled vessels.

Source: Effship Project Summary Report, 2013

* Costs do not include infrastructure development. Fuel cost based on market price 2012. Conversion based on 5 year pay-back and 6% interest.
Methanol is an economically viable alternative marine fuel over the cycle.
Di-Methyl Ether (DME) market

- DME can be blended directly with LPG (propane) up to approximately 20% for cooking and heating applications.

- Future promising application for DME is as a diesel replacement:
  - Oberon Fuels Produces DME in the U.S.
  - Volvo developing DME trucks. New York Sanitation Dept. announced DME Truck Trial in Jan 2017
  - Ford (Europe and Canada) executing separate projects to test DME in trucks and passenger vehicles.

- DME being studied for use as a solvent for bitumen recovery in Western Canada
Methanol fuel blending growing outside China

- Several countries outside China in the assessment or near-commercial stage for fuel blending, however minimal demand is included in current forecasts from these regions.
Methanol as a fuel outside China

- Europe is blending methanol into fuel today (up to 3% blending permitted), and in 2016, United Kingdom announced significant fuel tax incentive to support high blend methanol fuels
- Australia - Coogee demonstration project completed and regulations in place for methanol fuels
- New Zealand – In Dec. 2016, announced it would allow 3% methanol in updated fuel specifications (mid-2017)
- Israel – national standard approved for M15 in late 2016 (market potential ~450kta); testing higher blends. Vehicle partner - Fiat Chrysler
- North America - Open Fuel Standard Bill recently re-introduced in Congress
- Other countries studying or demonstrating fuel blending: Azerbaijan, Denmark, Russia, Uzbekistan, Iran, Netherlands, Switzerland, Egypt, Turkmenistan, Trinidad & Tobago, and Germany
Methanol as renewable energy

• Methanol and DME is produced from fossil fuels and renewables

LNG = Liquefied Natural Gas; DME = Di-Methyl Ether; OBATE = On Board Alcohol to Ether (i.e. methanol converted to DME on board ships)
Carbon recycling international (CRI)

- Methanex became a CRI shareholder in 2013
- World’s greenest methanol – technology captures CO₂ from industrial emissions and converts it into Renewable Methanol
- Sales into Europe gasoline blending market (M3)
- George Olah semi-commercial plant commissioned in 2011
- Completed a project to triple the capacity of the current plant to 4,000 MT, with future plans to add commercial scale plants
- In July ‘15 Chinese automaker Geely announced plans to invest $46 million over 3 years in CRI
Operating rates in China

- China has operated at ~50% based on nameplate capacity; however, market is tighter than it appears and effective operating rate is ~73% (source: MMSA)

- Many plants are not operational due to various factors including: operational problems/maintenance, inability to access feedstock, high cost, swung to ammonia production, emission controls, low rates of coking coal operations

Source: Methanol Markets Services Asia (MMSA); capacity and production includes Methanol to Olefins
Methanex cost structure

- **Natural gas**
  - Long-term gas contracts for approximately 2/3 of capacity have fixed base price and variable component linked to the price of methanol. This reduces methanol price exposure
  - Geismar 2 exposed to US spot market; gas price for 40% of gas requirements hedged to 2025

- **Freight**
  - Fleet of 27 leased and owned time charter vessels supplemented with shorter term COA vessels and spot vessel shipments
  - Integrated supply chain allows benefit of back-haul shipments
  - Network of leased and owned terminals worldwide

- **Fixed Manufacturing and G&A costs**
  - Primarily people costs (approx. 1300 employees)

  [Representative Operating Cost Distribution]

  - * Assumes average realized methanol price of approx. US$400/tonne (gas costs vary with methanol pricing).
# Leverage – rating agency perspective

## Pro Forma Rating Agency Credit Rations

*(US$ billions unless indicated)*

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td><strong>Total Debt</strong></td>
<td>1.4</td>
</tr>
<tr>
<td>Debt (Q4-16)</td>
<td>1.4</td>
</tr>
<tr>
<td>Capital and Operating Leases</td>
<td>0.7</td>
</tr>
<tr>
<td>Adjusted Debt (including leases)</td>
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</tr>
</tbody>
</table>

## Adjusted Debt/EBITDA

<table>
<thead>
<tr>
<th>ARP ($/tonne)</th>
<th>EBITDA ($millions)</th>
<th>Debt/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>300</td>
<td>725</td>
<td>2.9</td>
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<tr>
<td>350</td>
<td>1,000</td>
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<tr>
<td>400</td>
<td>1,275</td>
<td>1.6</td>
</tr>
</tbody>
</table>

- Leverage target = Investment Grade
  - Preserves financial flexibility
  - Lowers cost of debt
  - Access to longer-term bond market, shipping market, etc.
  - Higher credit capacity to hedge gas exposures, etc.

- Moody’s Baa3, S&P BB+, Fitch BBB-
  - ~3.0x Debt/EBITDA is long-term measure
  - Ratio typically calculated over a cycle

- $300 million undrawn credit facility
  - Backstop liquidity

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1 Includes Methanex proportionate share of debt & cash

2 Approx. adjustment for capital and operating leases

3 "With Trinidad and Egypt Gas Restrictions" EBITDA scenario from earlier slide, plus $75 million adjustment reflecting approximate lease portion of COG
Foreign exchange sensitivity

- US dollar based business
- Majority of revenues in US dollars (EU net exposure hedged)
- Natural gas and freight costs in US dollars
- Approximately $150 million in local currency costs (not actively hedged)
- Approximately $100 million in non-US dollar working capital assets

“A strong US dollar benefits Methanex”
Thank you

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