



METHANEX

®

A Responsible Care® Company

Q2-14 Financial Results

July 30, 2014

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 2013 MD&A and our second quarter 2014 MD&A, as well as slide 10 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 2013 MD&A and our second quarter 2014 MD&A.

Q2-14 Industry Highlights

- **Tight industry supply environment eased in Q2**
 - Several plants which experienced unplanned outages in Q4-13 & Q1-14 restored their production and operated at relatively high rates through Q2
- **Demand grew modestly in Q2 versus Q1**
 - Strong energy demand growth - Solid MTO demand spurred by lower methanol prices and the completion of maintenance, other energy demand also showed growth
 - Weaker traditional demand - acetic acid plant maintenance in North America & China; slower overall economic growth in South America & China
- **Prices moderated in Q2; stabilizing in Q3**
 - Methanex Q2 weighted average contract price lower by \$90/tonne from Q1
 - Prices stable in Q3, August contract prices in NA /Asia unchanged from July

Q2-14 Company Highlights

- Geismar 1 and 2 remain targeted for late 2014, early 2016 respectively
 - Geismar 1 commissioning process has commenced
 - Three of six shipments for Geismar 2 have arrived in Louisiana. All equipment expected to be on site by late September 2014
- \$42 million settlement with Total Austral to terminate all remaining obligations under their gas supply agreement (\$27 million net of tax)
- Returned \$106 million in cash to shareholders
 - \$24 million in dividends
 - \$82 million for 1.37 million shares repurchased since May 6, 2014 (average of \$59.99/share), or 28% of the approved 5% normal course issuer bid

Q2-14 Methanol Price

Methanex Average Realized Price (US\$/tonne)



Methanex non-Discounted Regional Posted Prices¹

(US\$ per tonne)	Aug 2014	Jul 2014	Jun 2014	May 2014	Apr 2014
United States	482	482	532	565	599
Europe ²	440	440	565	565	565
Asia	410	410	430	460	480

¹ Discounts from our posted prices are offered to customers based on various factors

² €322 for Q3 2014 (Q2 2014 - €412) converted to USD

- Average realized price of \$450/tonne in Q2
- Contract prices have stabilized in Q3
 - August contract prices announced for Asia and NA, unchanged from July

Q2-14 Financial & Operational Results

	<u>Q2-14</u>	<u>Q1-14</u>
<u>Sales Volumes (000's of tonnes)</u>		
Methanex Produced Methanol ¹	1,143	1,228
Purchased Methanol	643	654
Commission Sales	206	296
Total	1,992	2,178
Average realized price (\$/tonne)	450	524
Adjusted EBITDA ² (\$millions)	160	255
Adjusted net income per common share ²	\$ 0.94	\$ 1.65
Diluted net income per common share	\$ 1.24	\$ 1.50

¹ Methanex Produced Methanol sales volume includes volume produced under tolling arrangement

² Non-GAAP measure attributable to Methanex shareholders reflecting Methanex's proportionate interest in its Egypt and Atlas joint ventures. Please refer to our Q2-14 MD&A for further information.

Q2-14 Financial & Operational Results

- Adjusted EBITDA lower in Q2 vs Q1 due to lower price, lower produced sales volume and the margin impact of a declining price environment
 - Produced product inventory increased 69 kMT in the quarter due to timing of inventory flows
 - If produced sales volume = production, EBITDA would have been approx. \$12 million higher (EPS impact approx. \$0.08/share)
 - Q2 '14 purchased margin impact approx. \$10 million (EPS impact approx. \$0.08/share)
- Adjusted net income of \$91 million or \$0.94/share excludes \$27 million net of tax from Argentina gas settlement
- Overall sales volume lower in Q2 due to unscheduled downtime at customer plants and customers lowering inventories in a declining methanol price environment

Production

<i>(000's of tonnes)</i>	<u>Q2-14</u>	<u>Q1-14</u>	<u>Q2-13</u>
New Zealand	559	500	361
Trinidad (Atlas, 63.1% interest)	191	249	201
Trinidad (Titan)	203	149	169
Egypt (Methanex interest*)	99	139	163
Medicine Hat	138	122	129
Chile	26	67	29
Total	1,216	1,226	1,052

* Methanex's share of the Egypt facility's production was 60% prior to December 9, 2013 and 50% thereafter.

- Chile production includes volumes produced under tolling arrangement

- Production was relatively flat versus Q1
- Strong operating rates at the New Zealand and Medicine Hat facilities
- Trinidad operating rate was approximately 80% due to slightly higher gas restrictions in Q2 versus Q1, combined with an Atlas facility outage
- Egypt production was impacted by gas restrictions through the quarter and was temporarily idled in June 2014 due to lack of natural gas
 - Q2 operating rate 63%, year to date 76%
 - Expect the plant to resume operations in August
- Chile I facility temporarily idled in May 2014 due to insufficient gas
 - Planned restart later in 2014 when gas supply improves

FORWARD-LOOKING INFORMATION WARNING

This Presentation, the Second Quarter 2014 Management's Discussion and Analysis ("MD&A") and comments made during the Second Quarter 2014 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, 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 registration and related mortgages that require action by Egyptian governmental entities, 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, including the planned relocation of idle Chile methanol plants to Geismar, Louisiana ("Geismar"), 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, expected actions of governments, government agencies, gas suppliers, courts, tribunals or other third parties, and expected impact on our 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.

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, 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, timing of completion and cost of our Geismar project, 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 for and price of methanol and its derivatives, including demand for methanol for energy uses, the price of natural gas, coal, oil and oil derivatives, the success of natural gas exploration and development activities in southern Chile, our ability to obtain natural gas feedstock on commercially acceptable terms to underpin current operations and future production growth opportunities, the ability to successfully 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, our ability to meet timeline and budget targets for our Geismar project, including cost pressures arising from labour costs, 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, satisfaction of conditions precedent contained in the Geismar 1 natural gas supply agreement, and other risks described in our 2013 Management's Discussion and Analysis and this Second Quarter 2014 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 anticipated in forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.