

NEWS RELEASE



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For immediate release

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METHANEX REPORTS THIRD QUARTER 2017 EARNINGS

VANCOUVER, BRITISH COLUMBIA - For the third quarter of 2017, Methanex (TSX:MX) (NASDAQ:MEOH) reported net income attributable to Methanex shareholders of \$32 million (\$0.38 per common share on a diluted basis) compared to net income of \$84 million (\$0.89 per common share on a diluted basis) in the second quarter of 2017. Adjusted EBITDA for the third quarter of 2017 was \$143 million and Adjusted net income was \$52 million (\$0.60 per common share). This compares with Adjusted EBITDA of \$174 million and Adjusted net income of \$74 million (\$0.85 per common share) for the second quarter of 2017.

John Floren, President and CEO of Methanex commented, "The lower Adjusted EBITDA and earnings in the third quarter primarily reflects our lower average realized price during the quarter. Our average realized methanol price decreased \$20 per tonne in the quarter to \$307 per tonne, which compares to \$327 per tonne realized in the second quarter of 2017. We achieved record sales volume in the third quarter of 2017 with sales of 2.8 million tonnes, reflecting a 12% increase over the second quarter of 2017. As we enter the fourth quarter, we are encouraged to see an improvement in methanol prices, supported by healthy methanol demand."

"During the quarter we returned \$109 million to shareholders through dividends and share repurchases. To date we have repurchased 5,970,000 common shares, of the 6,152,358 common shares approved, for approximately \$277 million since commencement of our normal course issuer bid on March 13, 2017, illustrating the Company's commitment to return excess cash to shareholders. We expect to complete the current repurchase program by the end of October 2017."

"We continue to progress discussions to contract additional gas supply in Chile and Argentina and remain optimistic that our underutilized 1.7 million tonne Chile facilities represent a very low capital cost growth opportunity for Methanex due to the significant progress in developing natural gas reserves in the area. We have low capital and financing requirements in the medium term, and we have the ability to generate significant free cash flow at a wide range of methanol prices."

We recently extended the term of our revolving credit facility to December 2022 to maintain our strong liquidity position. With \$307 million of cash on hand at the end of the third quarter, a revolving credit facility, a robust balance sheet and strong cash generation capability, we believe we are well positioned to meet our financial commitments, pursue our near-term growth opportunities in Chile and deliver on our commitment to return excess cash to shareholders through dividends and share repurchases," Floren said.

FURTHER INFORMATION

The information set forth in this news release summarizes Methanex's key financial and operational data for the third quarter of 2017. It is not a complete source of information for readers and is not in any way a substitute for reading the third quarter 2017 Management's Discussion and Analysis ("MD&A") dated October 25, 2017 and the unaudited condensed consolidated interim financial statements for the period ended September 30, 2017, both of which are available from the Investor Relations section of our website at www.methanex.com. The MD&A and the unaudited condensed consolidated interim financial statements for the period ended September 30, 2017 are also available on the Canadian Securities Administrators' SEDAR website at www.sedar.com and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

FINANCIAL AND OPERATIONAL DATA

	Three Months Ended			Nine Months Ended	
	Sep 30 2017	Jun 30 2017	Sep 30 2016	Sep 30 2017	Sep 30 2016
<i>(\$ millions except per share amounts and where noted)</i>					
Production (thousands of tonnes) (attributable to Methanex shareholders)	1,765	1,614	1,749	5,245	5,158
Sales volume (thousands of tonnes)					
Methanex-produced methanol	1,753	1,790	1,860	5,299	5,078
Purchased methanol	757	387	411	1,656	1,366
Commission sales	261	297	205	862	513
Total sales volume ¹	2,771	2,474	2,476	7,817	6,957
Methanex average non-discounted posted price (\$ per tonne) ²	351	398	272	394	268
Average realized price (\$ per tonne) ³	307	327	236	332	230
Revenue	720	669	510	2,199	1,413
Adjusted revenue	775	716	537	2,322	1,483
Adjusted EBITDA	143	174	74	584	148
Cash flows from operating activities	131	250	74	602	178
Adjusted net income (loss)	52	74	(1)	266	(56)
Net income (loss) (attributable to Methanex shareholders)	32	84	(11)	248	(37)
Adjusted net income (loss) per common share	0.60	0.85	(0.01)	3.03	(0.63)
Basic net income (loss) per common share	0.38	0.96	(0.12)	2.83	(0.42)
Diluted net income (loss) per common share	0.38	0.89	(0.12)	2.83	(0.42)
Common share information (millions of shares)					
Weighted average number of common shares	86	88	90	88	90
Diluted weighted average number of common shares	86	88	90	88	90
Number of common shares outstanding, end of period	85	87	90	85	90

¹ Methanex-produced methanol represents our equity share of volume produced at our facilities and excludes volume marketed on a commission basis related to the 36.9% of the Atlas facility and 50% of the Egypt facility that we do not own. Methanex-produced methanol includes any volume produced by Chile using natural gas supplied from Argentina under a tolling arrangement ("TollingVolume"). There has been no TollingVolume produced since the fourth quarter of 2015.

² Methanex average non-discounted posted price represents the average of our non-discounted posted prices in North America, Europe and Asia Pacific weighted by sales volume. Current and historical pricing information is available at www.methanex.com.

³ Average realized price is calculated as revenue, excluding commissions earned and the Egypt non-controlling interest share of revenue, but including an amount representing our share of Atlas revenue, divided by the total sales volume of Methanex-produced and purchased methanol, but excluding TollingVolume.

A reconciliation from net income (loss) attributable to Methanex shareholders to Adjusted net income (loss) and the calculation of Adjusted net income (loss) per common share is as follows:

(\$ millions except number of shares and per share amounts)	Three Months Ended			Nine Months Ended	
	Sep 30 2017	Jun 30 2017	Sep 30 2016	Sep 30 2017	Sep 30 2016
Net income (loss) (attributable to Methanex shareholders)	\$ 32	\$ 84	\$ (11)	\$ 248	\$ (37)
Mark-to-market impact of share-based compensation, net of tax	20	(10)	10	18	2
Argentina gas settlement, net of tax	—	—	—	—	(21)
Adjusted net income (loss)	\$ 52	\$ 74	\$ (1)	\$ 266	\$ (56)
Diluted weighted average shares outstanding (millions)	86	88	90	88	90
Adjusted net income (loss) per common share	\$ 0.60	\$ 0.85	\$ (0.01)	\$ 3.03	\$ (0.63)

- We recorded net income attributable to Methanex shareholders of \$32 million during the third quarter of 2017 compared to net income of \$84 million in the second quarter of 2017. The decrease in earnings is primarily due to a decrease in our average realized methanol price during the third quarter and the impact on share-based compensation expense due to changes in the Methanex share price.
- We recorded Adjusted EBITDA of \$143 million for the third quarter of 2017 compared with \$174 million for the second quarter of 2017. Adjusted net income was \$52 million for the third quarter of 2017 compared to Adjusted net income of \$74 million for the second quarter of 2017. The decrease in Adjusted EBITDA and Adjusted net income is primarily due to a decrease in our average realized methanol price to \$307 per tonne for the third quarter of 2017 from \$327 per tonne for the second quarter of 2017.
- Production for the third quarter of 2017 was 1,765,000 tonnes compared with 1,614,000 tonnes for the second quarter of 2017.
- Total sales volume for the third quarter of 2017 was a record 2,771,000 tonnes compared with 2,474,000 tonnes for the second quarter of 2017. Sales of Methanex-produced methanol were 1,753,000 tonnes in the third quarter of 2017 compared with 1,790,000 tonnes in the second quarter of 2017.
- Cash flows from operating activities in the third quarter of 2017 were \$131 million compared with \$250 million for the second quarter of 2017, a decrease of \$119 million. We generated cash flows from operating activities before changes in non-cash working capital of \$151 million during the third quarter of 2017 compared with \$178 million in the second quarter of 2017. The decrease of \$27 million is primarily the result of the impact of lower realized methanol prices.
- Our planned capital expenditures directed towards maintenance, turnarounds and catalyst changes for operations, including our 63.1% share of Atlas and 50% of Egypt, is currently estimated to be approximately \$20 million to the end of 2017.
- During the third quarter of 2017 we repurchased 1,774,800 common shares for \$83 million. To date we have repurchased 5,970,000 common shares under the current normal course issuer bid for approximately \$277 million. We expect to complete the current repurchase program by the end of October 2017.
- During the third quarter of 2017 we paid a \$0.30 per common share dividend to shareholders for a total of \$26 million.
- In October 2017, we renewed and extended our \$300 million revolving credit facility for a five year term to December 2022.

PRODUCTION HIGHLIGHTS

<i>(thousands of tonnes)</i>	Q3 2017		Q2 2017	Q3 2016	YTD Q3 2017	YTD Q3 2016
	Operating Capacity ¹	Production	Production	Production	Production	Production
New Zealand ²	608	502	350	559	1,385	1,645
Geismar (USA)	500	499	437	519	1,429	1,529
Trinidad (Methanex interest) ³	500	457	449	420	1,302	1,150
Egypt (50% interest)	158	71	159	69	389	197
Medicine Hat (Canada)	150	158	159	114	435	396
Chile ⁴	220	78	60	68	305	241
	2,136	1,765	1,614	1,749	5,245	5,158

¹ Operating capacity includes only those facilities which are currently capable of operating, but excludes any portion of an asset that is underutilized due to a lack of natural gas feedstock over a prolonged period of time. Our current annual operating capacity is 8.5 million tonnes, including 0.9 million tonnes related to our Chile operations. The operating capacity of our production facilities may be higher than original nameplate capacity as, over time, these figures have been adjusted to reflect ongoing operating efficiencies at these facilities. Actual production for a facility in any given year may be higher or lower than operating capacity due to a number of factors, including natural gas composition or the age of the facility's catalyst.

² The operating capacity of New Zealand is made up of the two Motunui facilities and the Waitara Valley facility.

³ The operating capacity of Trinidad is made up of the Titan (100% interest) and Atlas (63.1% interest) facilities.

⁴ The production capacity of our Chile I and IV facilities is 1.7 million tonnes annually assuming access to natural gas feedstock.

Key production and operational highlights during the third quarter include:

- New Zealand production was 502,000 tonnes compared with 350,000 tonnes in the second quarter of 2017. During the second quarter of 2017 production was impacted mainly as a result of a planned turnaround at the Motunui 1 facility.
- Geismar production rates were strong following planned maintenance activities completed at Geismar 1 in May and at Geismar 2 in mid-July 2017, with production of 499,000 tonnes.
- Trinidad production was 457,000 tonnes (Methanex interest). We continue to experience gas curtailments in Trinidad with production in the third quarter of 2017 at similar levels compared to the second quarter of 2017.
- Egypt production was 71,000 tonnes (Methanex share). During the third quarter of 2017 production was lower as a result of a planned turnaround. Following the turnaround, the plant restarted and continued to run at high rates for the remainder of the quarter.
- Medicine Hat has continued to run at high rates with production of 158,000 tonnes.
- Chile production was 78,000 tonnes, produced using only natural gas supply from Chile. For the second consecutive year we produced methanol throughout the southern hemisphere winter months, a period of typically lower gas deliveries.

CONFERENCE CALL

A conference call is scheduled for October 26, 2017 at 12:00 noon ET (9:00 am PT) to review these third quarter results. To access the call, dial the conferencing operator ten minutes prior to the start of the call at (416) 340-2216, or toll free at (800) 273-9672. A simultaneous audio-only webcast of the conference call can be accessed from our website at www.methanex.com. A playback version of the conference call will be available until November 9, 2017 at (905) 694-9451, or toll free at (800) 408-3053. The passcode for the playback version is 3369750#. The webcast will be available on our website for two weeks following the call.

ABOUT METHANEX

Methanex is a Vancouver-based, publicly traded company and is the world's largest producer and supplier of methanol to major international markets. Methanex shares are listed for trading on the Toronto Stock Exchange in Canada under the trading symbol "MX" and on the NASDAQ Global Market in the United States under the trading symbol "MEOH".

FORWARD-LOOKING INFORMATION WARNING

This third quarter 2017 press release contains forward-looking statements with respect to us and the chemical industry. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond the Company's control. Readers are cautioned that undue reliance should not be placed on forward-looking information as actual results may vary materially from the forward-looking information. Methanex does not undertake to update, correct or revise any forward-looking information as a result of any new information, future events or otherwise, except as may be required by applicable law. Refer to Forward-Looking Information Warning in the third quarter 2017 Management's Discussion and Analysis for more information which is available from the Investor Relations section of our website at www.methanex.com, the Canadian Securities Administrators' SEDAR website at www.sedar.com and on the United States Securities and Exchange Commission's EDGAR website at www.sec.gov.

NON-GAAP MEASURES

The Company has used the terms Adjusted EBITDA, Adjusted net income (loss), Adjusted net income (loss) per common share, Adjusted revenue and operating income throughout this document. These items are non-GAAP measures that do not have any standardized meaning prescribed by GAAP. These measures represent the amounts that are attributable to Methanex Corporation shareholders and are calculated by excluding the mark-to-market impact of share-based compensation as a result of changes in our share price and the impact of certain items associated with specific identified events. Refer to Additional Information - Supplemental Non-GAAP measures on page 13 of the Company's MD&A for the period ended September 30, 2017 for reconciliations to the most comparable GAAP measures. Unless otherwise indicated, the financial information presented in this release is prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

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