

NEWS RELEASE



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For immediate release

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METHANEX REPORTS HIGHER FOURTH QUARTER 2017 RESULTS AND INCREASES DIVIDEND BY 10%

VANCOUVER, BRITISH COLUMBIA - For the fourth quarter of 2017, Methanex (TSX:MX) (NASDAQ:MEOH) reported net income attributable to Methanex shareholders of \$68 million (\$0.81 per common share on a diluted basis) compared to net income of \$32 million (\$0.38 per common share on a diluted basis) in the third quarter of 2017. Adjusted EBITDA for the fourth quarter of 2017 was \$254 million and Adjusted net income was \$143 million (\$1.70 per common share). This compares with Adjusted EBITDA of \$143 million and Adjusted net income of \$52 million (\$0.60 per common share) for the third quarter of 2017.

Excluded from Adjusted net income is a \$37 million non-cash charge from the revaluation of a net deferred tax asset as a result of tax reform in the United States and a \$38 million mark-to-market impact of share-based compensation due to the increase in the Methanex share price. For the year ended December 31, 2017, Methanex reported net income attributable to Methanex shareholders of \$316 million (\$3.64 net income per common shares on a diluted basis), Adjusted EBITDA of \$838 million and Adjusted net income of \$409 million (\$4.71 net income per common share). This compares with a net loss attributable to Methanex shareholders of \$13 million (\$0.14 net loss per common share on a diluted basis), Adjusted EBITDA of \$287 million and an Adjusted net loss of \$15 million (\$0.17 Adjusted net loss per common share) for the year ended December 31, 2016.

John Floren, President and CEO of Methanex commented, "Methanol pricing increased significantly through the fourth quarter and into early 2018 due to strong demand and methanol supply challenges. Our average realized methanol price was \$350 per tonne in the fourth quarter of 2017 and \$337 per tonne for the full year. We are extremely pleased with our operational and financial performance in 2017 as we achieved record production and sales volume and the highest Adjusted EBITDA in the Company's history."

"These record results enabled us to return \$388 million to shareholders in 2017 through our regular dividend and the repurchase of 10% of the public float, or 6.2 million shares. I am pleased to announce that the Board of Directors has approved a 10% increase to the quarterly dividend to shareholders, to \$0.33 per share from \$0.30 per share. Our cash position and liquidity are strong and it is our intention to initiate a new 10% normal course issuer bid in March 2018, which is the earliest timing allowed under Canadian securities legislation."

"We are progressing the restart of our Chile IV plant and expect to complete the project by Q3 2018. We have low capital and financing requirements in the medium term, and have the ability to generate significant free cash flow at a wide range of methanol prices. With \$375 million of cash on hand at the end of the fourth quarter, a committed revolving credit facility, 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 fourth quarter of 2017. It is not a complete source of information for readers and is not in any way a substitute for reading the fourth quarter 2017 Management's Discussion and Analysis ("MD&A") dated January 31, 2018 and the unaudited condensed consolidated interim financial statements for the period ended December 31, 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 December 31, 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			Years Ended	
	Dec 31 2017	Sep 30 2017	Dec 31 2016	Dec 31 2017	Dec 31 2016
<i>(\$ millions except per share amounts and where noted)</i>					
Production (thousands of tonnes) (attributable to Methanex shareholders)	1,942	1,765	1,859	7,187	7,017
Sales volume (thousands of tonnes)					
Methanex-produced methanol	1,930	1,753	1,750	7,229	6,828
Purchased methanol	633	757	526	2,289	1,892
Commission sales	289	261	245	1,151	758
Total sales volume ¹	2,852	2,771	2,521	10,669	9,478
Methanex average non-discounted posted price (\$ per tonne) ²					
	403	351	312	396	279
Average realized price (\$ per tonne) ³					
	350	307	278	337	242
Revenue					
	861	720	585	3,061	1,998
Adjusted revenue					
	904	775	635	3,227	2,118
Adjusted EBITDA					
	254	143	139	838	287
Cash flows from operating activities					
	206	124	66	788	227
Adjusted net income (loss)					
	143	52	41	409	(15)
Net income (loss) (attributable to Methanex shareholders)					
	68	32	24	316	(13)
Adjusted net income (loss) per common share					
	1.70	0.60	0.46	4.71	(0.17)
Basic net income (loss) per common share					
	0.81	0.38	0.28	3.64	(0.14)
Diluted net income (loss) per common share					
	0.81	0.38	0.28	3.64	(0.14)
Common share information (millions of shares)					
Weighted average number of common shares	84	86	90	87	90
Diluted weighted average number of common shares	84	86	90	87	90
Number of common shares outstanding, end of period	84	85	90	84	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 in the periods presented.

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			Years Ended	
	Dec 31 2017	Sep 30 2017	Dec 31 2016	Dec 31 2017	Dec 31 2016
Net income (loss) (attributable to Methanex shareholders)	\$ 68	\$ 32	\$ 24	\$ 316	\$ (13)
U.S. tax reform charge	37	—	—	37	—
Mark-to-market impact of share-based compensation, net of tax	38	20	17	56	19
Argentina gas settlement	—	—	—	—	(21)
Adjusted net income (loss)	\$ 143	\$ 52	\$ 41	\$ 409	\$ (15)
Diluted weighted average shares outstanding (millions)	84	86	90	87	90
Adjusted net income (loss) per common share	\$ 1.70	\$ 0.60	\$ 0.46	\$ 4.71	\$ (0.17)

- We recorded net income attributable to Methanex shareholders of \$68 million during the fourth quarter of 2017 compared to net income of \$32 million in the third quarter of 2017. The increase in earnings is primarily due to an increase in our average realized methanol price during the fourth quarter, offset by a \$37 million non-cash charge from the revaluation of a net deferred tax asset as a result of tax reform in the United States and a \$38 million mark-to-market impact of share-based compensation due to the increase in the Methanex share price.
- We recorded Adjusted EBITDA of \$254 million for the fourth quarter of 2017 compared with \$143 million for the third quarter of 2017. Adjusted net income was \$143 million for the fourth quarter of 2017 compared to Adjusted net income of \$52 million for the third quarter of 2017. The increase in Adjusted EBITDA and Adjusted net income is primarily due to an increase in our average realized methanol price to \$350 per tonne for the fourth quarter of 2017 from \$307 per tonne for the third quarter of 2017.
- Production for the fourth quarter of 2017 was a record 1,942,000 tonnes compared with 1,765,000 tonnes for the third quarter of 2017.
- Total sales volume for the fourth quarter of 2017 was a record 2,852,000 tonnes compared with 2,771,000 tonnes for the third quarter of 2017. Sales of Methanex-produced methanol were 1,930,000 tonnes in the fourth quarter of 2017 compared with 1,753,000 tonnes in the third quarter of 2017.
- Cash flows from operating activities in the fourth quarter of 2017 increased to \$206 million compared with \$124 million for the third quarter of 2017, an increase of \$82 million. The increase is primarily the result of the impact of higher realized methanol prices.
- During the fourth quarter of 2017 we completed the 10% normal course issuer bid initiated in March 2017 repurchasing the maximum 6,152,358 common shares in 2017 for approximately \$286 million.
- During the fourth quarter of 2017 we paid a \$0.30 per common share dividend to shareholders for a total of \$25 million.
- We announced today that the Board of Directors has approved a 10% increase to our quarterly dividend to shareholders, to \$0.33 per share per quarter from \$0.30 per share per quarter to be effective March 2018.
- Our cash position and liquidity are strong and it is our intention to initiate a new 10% normal course issuer bid on March 2018, which is the earliest timing allowed under Canadian securities legislation.
- In 2017 we achieved record production and sales volume and the highest annual Adjusted EBITDA in the Company's history.

PRODUCTION HIGHLIGHTS

<i>(thousands of tonnes)</i>	Annual Operating Capacity¹	2017 Production	2016 Production	Q4 2017 Production	Q3 2017 Production	Q4 2016 Production
New Zealand ²	2,430	1,943	2,181	558	502	536
Geismar (USA)	2,000	1,935	2,055	506	499	526
Trinidad (Methanex interest) ³	2,000	1,768	1,605	466	457	455
Egypt (50% interest)	630	534	293	145	71	96
Medicine Hat (Canada)	600	593	488	158	158	92
Chile ⁴	880	414	395	109	78	154
	8,540	7,187	7,017	1,942	1,765	1,859

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 fourth quarter include:

- New Zealand production increased to 558,000 tonnes compared with 502,000 tonnes in the third quarter of 2017. The New Zealand facilities are capable of producing up to 2.4 million tonnes annually, depending on natural gas composition.
- Geismar production rates continue to be strong, with production of 506,000 tonnes.
- Trinidad produced 466,000 tonnes (Methanex interest) compared with 457,000 tonnes in the third quarter of 2017. We continue to experience gas curtailments in Trinidad.
- Egypt produced 145,000 tonnes (Methanex share). Following the turnaround performed during the third quarter of 2017, the plant has run at high rates.
- Medicine Hat continued to run at high rates with production of 158,000 tonnes.
- Chile produced 109,000 tonnes, produced using only natural gas supply from Chile.

CONFERENCE CALL

A conference call is scheduled for February 1, 2018 at 12:00 noon ET (9:00 am PT) to review these fourth 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 and will also be available following the call. A playback version of the conference call will be available until February 15, 2018 at (905) 694-9451, or toll free at (800) 408-3053. The passcode for the playback version is 4927889#.

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 fourth 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 fourth 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 December 31, 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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