

# Q2-16 Financial Results

July 27, 2016



# 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 2015 annual MD&A and second quarter 2016 MD&A, as well as the last slide of this presentation.

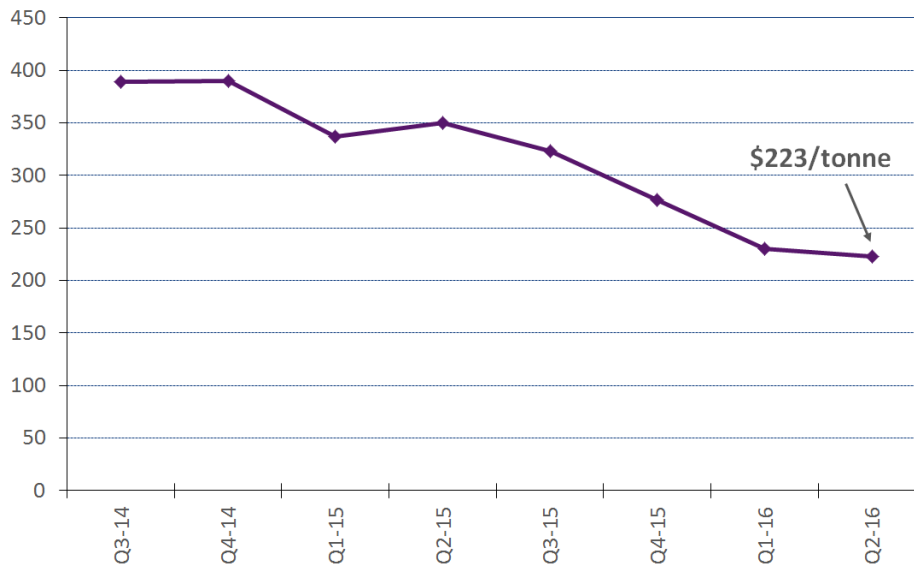
This presentation also contains certain non-GAAP financial measures that do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. For more information regarding these non-GAAP measures, please see our 2015 annual MD&A and our second quarter 2016 MD&A.

# Q2-16 Industry Highlights

- Global demand growth rebounded in Q2
  - Q2-16 global demand approximately 16.5 million tonnes, up 8% versus Q2-15
    - Strong energy demand led by methanol-to-olefins. Growth reflects the start-up of one new facility in April 2016, and higher MTO operating rates helped by improved margins
    - Expect three additional MTO plants in the coming months capable of consuming up to 4.5 million tonnes of methanol at full operating rates
  - Growth was led by Asia, with stable demand in the Atlantic
- Prices were stable through the quarter
  - Strong demand growth was met by improved industry supply stemming from a number of methanol plants returning from maintenance and a drawdown on global inventory
  - Global price differentials narrowed

# Q2-16 Methanol Price

Methanex Average Realized Price (US\$/tonne)



Methanex Non-Discounted  
Regional Posted Prices <sup>1</sup>

(US\$ per tonne)	Aug 2016	Jul 2016	Jun 2016	May 2016	Apr 2016
North America	266	266	266	249	249
Europe <sup>2</sup>	265	265	250	250	250
Asia	275	275	275	265	265

<sup>1</sup> Discounts from our posted prices are offered to customers based on various factors

<sup>2</sup> €240 for Q3-16; €225 for Q2-16; converted to USD

- Lower average realized price of \$223/tonne in Q2-16 vs. \$230/tonne in Q1-16
- Q3 regional contract price differentials are relatively flat across regions

## Q2-16 Company Highlights

- Record quarterly production of 1,770 thousand tonnes
- Record quarterly sales volume of 2,362 thousand tonnes
- \$32.5 million (\$21 million net of tax) settlement to terminate Petrobras Argentina S.A.'s natural gas delivery obligations pursuant to a long-term natural gas supply agreement to our Chile operations
- Paid \$25 million dividend to shareholders
- In the quarter, delivered four new vessels capable of running on methanol

# Q2-16 Financial & Operational Results

	Q2-16	Q1-16
<i>Sales Volume (000's of tonnes)</i>		
Methanex Produced Methanol <sup>1</sup>	1,689	1,529
Purchased Methanol	533	422
Commission Sales	140	168
Total	2,362	2,119
Average realized price (\$/tonne)	223	230
Adjusted EBITDA <sup>2</sup> (\$millions)	38	36
Net loss attributable to Methanex shareholders (\$millions)	(3)	(23)
Adjusted net loss (\$millions)	(31)	(24)
Diluted net loss per common share	\$(0.08)	\$(0.26)
Adjusted net loss per common share <sup>1</sup>	\$(0.34)	\$(0.27)

<sup>1</sup> Non-GAAP measure attributable to Methanex shareholders reflecting Methanex's proportionate interest in its Egypt and Atlas joint ventures. Please refer to our Q2-16 MD&A for further information.

- Higher Adjusted EBITDA reflects lower average realized price in Q2 2016, offset by higher produced sales volume

# Q2-16 Production

<i>(000's of tonnes)</i>	Q2-16	Q1-16	Q2-15
New Zealand	577	509	487
Geismar 1 and 2	527	483	276
Trinidad (Atlas, 63.1% interest)	236	109	236
Trinidad (Titan)	181	204	183
Egypt (50%)	53	75	8
Medicine Hat	123	159	51
Chile <sup>1</sup>	73	100	40
<b>Total</b>	<b>1,770</b>	<b>1,639</b>	<b>1,281</b>

<sup>1</sup> Chile production includes any volume produced under tolling arrangement

- Record quarterly production achieved in Q2 2016
- Production exceeded produced sales volume by 81,000 tonnes
- 97% plant reliability for 2016 YTD

# Q2-16 Production

- New Zealand production close to full operating capacity
- Strong Geismar production reflecting new catalyst at these plants
- Combined operating rate of 84% in Trinidad, reflecting Atlas restart
- Egypt production reflects higher than expected natural gas supply. The plant was restarted in early May after early March shutdown due to natural gas restrictions and has operated at reduced rates on an intermittent basis as gas has become available. We expect that the plant may be shut down intermittently during the remaining summer months when electricity demand is at its peak
- Medicine Hat production of 123,000 tonnes at 82% of capacity, lost production of approximately 40,000 tonnes due to a mechanical issue
- Higher than expected Chile production of 73,000 tonnes, with gas sourced from Chile. For the first time since 2012, the site produced methanol during the June and July winter months. The Chile I plant had sufficient supply to run through July, but was idled early in the month for scheduled maintenance and is expected to restart in August



# Summary

- Stable methanol pricing, narrow global price differentials
- Record Methanex production and sales volumes in Q2 2016
- Excellent plant reliability of 97% 2016 YTD
- Chile production in South American winter months for first time since 2012
- Strong demand growth continues with expected MTO plant start-ups in the coming months
- Well positioned to benefit from a recovery from bottom of cycle methanol pricing

# Forward-looking Statements

## FORWARD-LOOKING INFORMATION WARNING

This Presentation, our Second Quarter 2016 Management's Discussion and Analysis ("MD&A") and comments made during the Second 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 2015 Management's Discussion and Analysis and our Second 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.