

NEWS RELEASE



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For immediate release

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METHANEX REPORTS THIRD QUARTER 2019 RESULTS

VANCOUVER, BRITISH COLUMBIA - For the third quarter of 2019, Methanex (TSX:MX) (NASDAQ:MEOH) reported a net loss attributable to Methanex shareholders of \$10 million (\$0.21 net loss per common share on a diluted basis) compared to net income of \$50 million (\$0.51 net income per common share on a diluted basis) in the second quarter of 2019. Adjusted EBITDA for the third quarter of 2019 was \$90 million and Adjusted net loss was \$21 million (\$0.27 Adjusted net loss per common share). This compares with Adjusted EBITDA of \$146 million and Adjusted net income of \$26 million (\$0.34 Adjusted net income per common share) for the second quarter of 2019.

John Floren, President and CEO of Methanex, commented, "The lower Adjusted EBITDA we recorded in the third quarter of 2019 primarily reflects a decline in methanol prices during the quarter which was partially offset by higher sales volume of Methanex-produced methanol and improved costs compared to the second quarter, although there were significant costs incurred related to the Egypt outage. Our average realized price declined by \$54 dollars per tonne to \$272 dollars per tonne in the third quarter of 2019 from \$326 dollars per tonne that we realized in the second quarter."

"In Louisiana, we have begun construction of our Geismar 3 plant, which will be a 1.8 million tonne methanol plant located adjacent to our existing facilities. We expect this project will deliver outstanding returns based on its substantial capital and operating cost advantages. We believe we are well positioned to complete this project as we have a rigorous and well-defined execution plan, an experienced team in place and a robust and flexible financing plan. In addition, we continue to make progress on the debottlenecking opportunities at our existing Geismar 1 and Geismar 2 facilities to increase production by approximately 10% over the next couple of years."

"We were very pleased to announce earlier this month that we reached an agreement for natural gas supply for our Chile facilities that will underpin approximately 25% of a two-plant operation through to the end of 2025 and that we completed the first phase of the major refurbishment of our Chile I plant. These accomplishments reflect important steps in returning our assets in Chile back to full operating rates."

"We returned \$27 million to shareholders through our regular dividend in the third quarter. We have \$857 million of cash on the balance sheet at the end of the third quarter. This amount includes proceeds from the \$700 million 10-year notes that we issued in September 2019 of which \$350 million was used, subsequent to the quarter, to repay existing unsecured notes originally due on December 15, 2019 and the remaining proceeds are earmarked to fund Geismar 3 construction expenditures."

"We continue to prudently manage our business by maintaining a strong balance sheet and sufficient liquidity to navigate the cyclical nature of our industry. The strategic investments we have made in our business have strengthened our asset base, significantly increased our global production capacity, enhanced our ability to service customers and substantially improved our earnings capability and cash generation potential over a wide range of prices."

"Our balanced approach to capital allocation remains unchanged. We believe we are well positioned to meet our financial commitments, execute our growth projects in Louisiana and 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 2019. It is not a complete source of information for readers and is not in any way a substitute for reading the third quarter 2019 Management's Discussion and Analysis ("MD&A") dated October 30, 2019 and the unaudited condensed consolidated interim financial statements for the period ended September 30, 2019, 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, 2019 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 2019	Jun 30 2019	Sep 30 2018	Sep 30 2019	Sep 30 2018
<i>(\$ millions except per share amounts and where noted)</i>					
Production (thousands of tonnes) (attributable to Methanex shareholders)	1,837	1,820	1,735	5,465	5,326
Sales volume (thousands of tonnes)					
Methanex-produced methanol	1,965	1,669	1,790	5,555	5,403
Purchased methanol	680	716	802	1,869	2,124
Commission sales	179	216	279	724	929
Total sales volume ¹	2,824	2,601	2,871	8,148	8,456
Methanex average non-discounted posted price (\$ per tonne) ²	330	391	486	370	480
Average realized price (\$ per tonne) ³	272	326	413	309	407
Revenue	650	734	1,044	2,126	2,955
Adjusted revenue	723	777	1,067	2,299	3,025
Adjusted EBITDA	90	146	293	430	874
Cash flows from operating activities	71	117	228	401	762
Adjusted net income (loss)	(21)	26	152	62	466
Net income (loss) (attributable to Methanex shareholders)	(10)	50	128	79	408
Adjusted net income (loss) per common share	(0.27)	0.34	1.92	0.80	5.71
Basic net income (loss) per common share	(0.13)	0.65	1.62	1.03	5.01
Diluted net income (loss) per common share	(0.21)	0.51	1.61	0.88	5.00
Common share information (millions of shares)					
Weighted average number of common shares	76	77	79	77	82
Diluted weighted average number of common shares	76	77	79	77	82
Number of common shares outstanding, end of period	76	76	78	76	78

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 ("Tolling Volume"). No Tolling Volume has been produced in 2019. There were 20,000 MT of Tolling Volume in the third quarter of 2018 and 108,000 MT of Tolling Volume for the nine months ended September 30, 2018.

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 Tolling Volume.

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 2019	Jun 30 2019	Sep 30 2018	Sep 30 2019	Sep 30 2018
Net income (loss) (attributable to Methanex shareholders)	\$ (10)	\$ 50	\$ 128	\$ 79	\$ 408
Mark-to-market impact of share-based compensation, net of tax	(11)	(24)	24	(17)	58
Adjusted net income (loss)	\$ (21)	\$ 26	\$ 152	\$ 62	\$ 466
Diluted weighted average shares outstanding (millions)	76	77	79	77	82
Adjusted net income (loss) per common share	\$ (0.27)	\$ 0.34	\$ 1.92	\$ 0.80	\$ 5.71

- We recorded a net loss attributable to Methanex shareholders of \$10 million during the third quarter of 2019 compared to net income of \$50 million in the second quarter of 2019. The decrease in earnings is primarily due to a decrease in our average realized methanol price and the change in the mark-to-market impact of share-based compensation, partially offset by the impact of higher sales volume of Methanex-produced methanol and improved costs compared to the second quarter.
- We recorded Adjusted EBITDA of \$90 million for the third quarter of 2019 compared with \$146 million for the second quarter of 2019. The decrease in Adjusted EBITDA for the third quarter of 2019 compared to the second quarter of 2019 is primarily due to the decrease in our average realized methanol price, partially offset by the impact of higher sales volume of Methanex-produced methanol and improved costs compared to the second quarter. Adjusted EBITDA for 2019 includes the adoption of IFRS 16 which increased Adjusted EBITDA for the third quarter of 2019 by \$26 million, the second quarter of 2019 by \$27 million and the nine month period ended September 30, 2019 by \$81 million. The 2018 comparative periods have not been adjusted for IFRS 16.
- Adjusted net loss was \$21 million for the third quarter of 2019 compared to Adjusted net income of \$26 million for the second quarter of 2019. The decrease in Adjusted net income is primarily due to a decrease in average realized price to \$272 per tonne for the third quarter of 2019 from \$326 per tonne for the second quarter of 2019. This was partially offset by the impact of higher sales of Methanex-produced methanol and improved costs compared to the second quarter.
- We produced 1,837,000 tonnes in the third quarter of 2019 compared to 1,820,000 tonnes for the second quarter of 2019.
- Total sales volume for the third quarter of 2019 was 2,824,000 tonnes compared with 2,601,000 tonnes for the second quarter of 2019. Sales of Methanex-produced methanol were 1,965,000 tonnes in the third quarter of 2019 compared with 1,669,000 tonnes in the second quarter of 2019. In the third quarter of 2019, sales of Methanex-produced methanol exceeded production, resulting in a 128,000 tonne draw of produced methanol inventory. This compares to the second quarter of 2019, where production exceeded sales of Methanex-produced methanol by 151,000 tonnes. An inventory build or draw is a result of the timing of produced and purchased methanol volume in and out of inventory.
- On July 19, 2019, we reached a final investment decision to construct a 1.8 million tonne facility in Geismar, Louisiana adjacent to our Geismar 1 and Geismar 2 facilities. The cost of the Geismar 3 project is expected to be between \$1.3 to \$1.4 billion, excluding capitalized interest, with operations targeted for the second half of 2022. Capitalized costs of approximately \$85 million have been incurred for the project, life to date.
- We recently announced an agreement for natural gas supply to our Chile facilities that will underpin approximately 25% of a two-plant operation through to the end of 2025. We expect that our current gas agreements will allow for a two-plant operation in Chile during the southern hemisphere summer months and up to a maximum of 75% of a two-plant operation annually.
- During the third quarter of 2019, we finalized committed financing for the Geismar 3 project with a new \$800 million construction credit facility and a \$300 million revolving credit facility, both with a syndicate of highly rated financial institutions and expiry in July 2024. Both facilities remain undrawn.
- During the third quarter of 2019, we issued \$700 million of unsecured notes with a 5.25% coupon due December 2029, of which \$350 million was used, subsequent to the quarter, to repay the \$350 million unsecured notes originally due December 2019. The remaining proceeds are earmarked to fund Geismar 3 construction expenditures.

- During the third quarter of 2019 we paid a \$0.36 per common share quarterly dividend to shareholders for a total of \$27 million.
- On March 18, 2019 we commenced a normal course issuer bid to purchase up to 3,863,298 common shares. To date, we have repurchased 1,069,893 common shares under the bid for \$52.8 million. No shares were repurchased in the third quarter of 2019.

PRODUCTION HIGHLIGHTS

<i>(thousands of tonnes)</i>	Q3 2019		Q2 2019	Q3 2018	YTD Q3 2019	YTD Q3 2018
	Operating Capacity ¹	Production	Production	Production	Production	Production
New Zealand ²	608	469	446	478	1,352	1,217
USA (Geismar)	500	514	530	520	1,449	1,551
Trinidad (Methanex interest) ³	500	474	384	353	1,287	1,254
Chile ⁴	430	146	290	112	677	406
Egypt (50% interest)	158	85	15	128	241	458
Canada (Medicine Hat)	150	149	155	144	459	440
	2,346	1,837	1,820	1,735	5,465	5,326

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. 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 operating capacity of our Chile I and IV facilities is 1.7 million tonnes annually assuming access to natural gas feedstock. For 2018, our operating capacity in Chile was 0.9 million tonnes. In the fourth quarter of 2018 we restarted our 0.8 million tonne Chile IV plant that had been idle since 2007.

Key production and operational highlights during the third quarter include:

- New Zealand produced 469,000 tonnes compared with 446,000 tonnes in the second quarter of 2019. We expect to receive higher gas deliveries in the fourth quarter compared to the third quarter of 2019. While there is significant field development work underway in the upstream sector, we do not expect to see the benefit of this next year. Based on our current contracted gas position, we are revising our guidance to approximately 80% operating rates in 2020, or approximately 1.9 million tonnes.
- Geismar produced 514,000 tonnes during the third quarter of 2019 compared to 530,000 tonnes during the second quarter of 2019. Production in Geismar continues to be strong.
- Trinidad produced 474,000 tonnes (Methanex interest) compared with 384,000 tonnes in the second quarter of 2019. Production in Trinidad is higher in the third quarter of 2019 compared to the second quarter of 2019 as production in the second quarter was impacted by the turnaround completed for the Titan plant in April, and an unplanned production outage in May at the Atlas plant. For Trinidad, we continue to guide to approximately 85% operating rates.
- The Chile facilities produced 146,000 tonnes during the third quarter of 2019 compared to 290,000 tonnes during the second quarter of 2019. Production for the third quarter of 2019 is lower compared to the second quarter of 2019 as only the Chile IV plant operated during the quarter. Late in the second quarter of 2019, we commenced the first phase of our refurbishment of our Chile I plant, scheduled to match expected lower natural gas deliveries during the southern hemisphere winter months. The Chile I plant restarted in early October. We plan to complete the remaining refurbishment activities for Chile I over the coming years.
- The Egypt facility produced 170,000 tonnes (Methanex interest - 85,000 tonnes) in the third quarter of 2019 compared with 30,000 tonnes (Methanex interest - 15,000 tonnes) in the second quarter of 2019. The Egypt facility restarted in August, following the outage that commenced in the second quarter of 2019. The losses related to the outage in the second and third quarters are expected to be partially covered by insurance. No insurance recoveries have been recorded to date.

- Medicine Hat produced 149,000 tonnes during the third quarter of 2019 compared to 155,000 tonnes during the second quarter of 2019.

CONFERENCE CALL

A conference call is scheduled for October 31, 2019 at 11:00 am ET (8:00 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 and will also be available following the call. A playback version of the conference call will be available until November 15, 2019 at (905) 694-9451, or toll free at (800) 408-3053. The passcode for the playback version is 2192370#.

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 2019 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 2019 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 (loss) 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 15 of the Company's MD&A for the period ended September 30, 2019 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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