

# Q3-16 Financial Results

October 26, 2016



# Forward-looking Statements & Non-GAAP Measures

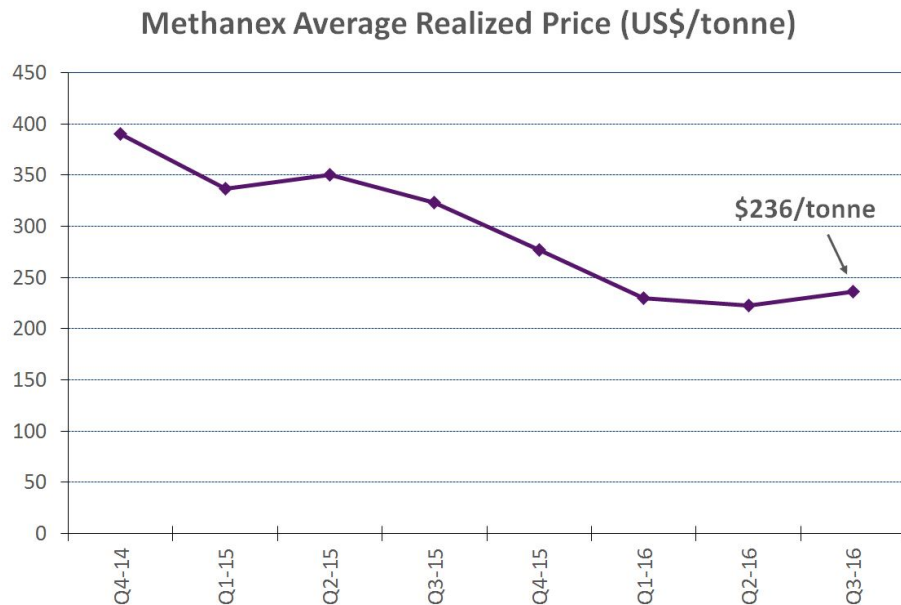
Information contained in these materials or presented orally on the earnings conference call, either in prepared remarks or in response to questions, contains forward-looking statements. Actual results could differ materially from those contemplated by the forward-looking statements. For more information, we direct you to our 2015 annual MD&A and third 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 third quarter 2016 MD&A.

## Q3-16 Industry Highlights

- Healthy global demand in Q3 of approximately 16.8 million tonnes, up 10% versus Q3-15
  - Robust methanol-to-olefins (MTO) demand, reflecting a stronger average operating rate of over 80%, attributable to improved MTO margins and plants returning from maintenance
  - Expect two additional MTO plants in the coming months and a third plant in 2017 capable of consuming up to 4.5 million tonnes of methanol based on their announced capacity
  - Solid traditional chemical demand
- Tightening industry supply
  - Reduction in industry operating rate following robust production in Q2, due to plant outages in the Middle East, Southeast Asia and Trinidad towards the end of the quarter
  - Rising China thermal coal prices pressured the high end of the cost curve
- Methanol prices improved across the globe

# Q3-16 Methanol Price



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

(US\$ per tonne)	Nov 2016	Oct 2016	Sep 2016	Aug 2016	Jul 2016
North America	319	293	276	266	266
Europe <sup>2</sup>	280	280	265	265	265
Asia	310	285	275	275	275

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

<sup>2</sup> €250 for Q4-16; €240 for Q3-16; converted to USD

- Higher average realized price of \$236/tonne in Q3-16 vs. \$223/tonne in Q2-16
- Q3 contract prices increased across all regions

## Q3-16 Company Highlights

- Record quarterly sales of Methanex produced methanol at 1,860 thousand tonnes
- Record total quarterly sales volume of 2,476 thousand tonnes
- Secured additional gas in Chile sufficient to allow the 900,000 tonne Chile I facility to operate at approximately 60% of capacity through May 2018
- Accepted delivery of two additional vessels capable of running on methanol - six of seven vessels have now been delivered, with the last expected in November
- Paid \$25 million dividend to shareholders
- Strong liquidity position with maintenance capital, debt service, and dividend requirements met from operating cash flow

# Q3-16 Financial & Operational Results

	Q3-16	Q2-16
<i>Sales Volume (000's of tonnes)</i>		
Methanex Produced Methanol	1,860	1,689
Purchased Methanol	411	533
Commission Sales	205	140
Total	2,476	2,362
Average realized price (\$/tonne)	236	223
Adjusted EBITDA <sup>1</sup> (\$millions)	74	38
Net loss attributable to Methanex shareholders (\$millions)	(11)	(3)
Adjusted net loss (\$millions)	(1)	(31)
Diluted net loss per common share	\$(0.12)	\$(0.08)
Adjusted net loss per common share <sup>1</sup>	\$(0.01)	\$(0.34)

<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 Q3-16 MD&A for further information.

- Higher Adjusted EBITDA reflects higher average realized price in Q3 2016 along with record level produced sales volume



# Q3-16 Production

(000's of tonnes)	Q3-16	Q2-16	Q3-15
New Zealand	559	577	476
Geismar 1 and 2	519	527	259
Trinidad (Methanex share) <sup>1</sup>	420	417	398
Egypt (50%)	69	53	—
Medicine Hat	114	123	123
Chile <sup>2</sup>	68	73	3
<b>Total</b>	<b>1,749</b>	<b>1,770</b>	<b>1,259</b>

<sup>1</sup> The operating capacity of Trinidad is made up of Titan (100% interest) and Atlas (63.1% interest) facilities

<sup>2</sup> Chile production includes any volume produced under tolling arrangement

- 96% plant reliability for 2016 YTD
- Continued strong production volume

## Q3-16 Production

- Strong production from our three plants in New Zealand, with production of 559,000 tonnes.
- Geismar production rates continue to be strong, reflecting, in part, the relatively new catalyst at these plants.
- Operating rate of 84% in Trinidad, reflecting continued gas restrictions in the region.
- Egypt produced 69,000 tonnes (Methanex share), and was taken offline for planned maintenance activities for approximately 40 days during the quarter.
- Medicine Hat production of 114,000 tonnes at 76% of capacity, due to a plant shut down that resulted in lost production of approximately 30,000 tonnes during the quarter.
- Chile production of 68,000 tonnes, 100% supported by natural gas supplies from Chile. The plant underwent planned maintenance for approximately 30 days during the third quarter of 2016, and restarted in early August.



# Summary

- Methanol pricing has improved globally
- Record Methanex-produced methanol sales and total sales volume in Q3 2016
- Good plant reliability of 96% 2016 YTD
- Continued progress on increasing Chile gas supply
- Strong demand growth continued 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 Third Quarter 2016 Management's Discussion and Analysis ("MD&A") and comments made during the Third 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 Third 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.