

NEWS RELEASE



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For immediate release

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METHANEX REPORTS THIRD QUARTER 2018 EARNINGS

VANCOUVER, BRITISH COLUMBIA - For the third quarter of 2018, Methanex (TSX:MX) (NASDAQ:MEOH) reported net income attributable to Methanex shareholders of \$128 million (\$1.61 per common share on a diluted basis) compared to net income of \$111 million (\$1.36 per common share on a diluted basis) in the second quarter of 2018. Adjusted EBITDA for the third quarter of 2018 was \$293 million and Adjusted net income was \$152 million (\$1.92 per common share). This compares with Adjusted EBITDA of \$275 million and Adjusted net income of \$143 million (\$1.75 per common share) for the second quarter of 2018.

John Floren, President and CEO of Methanex commented, "Our higher Adjusted EBITDA and earnings in the third quarter reflects our strong sales volume and higher average realized price. Our sales volume in the third quarter of 2.9 million tonnes matched previous record levels. Our average realized price increased to \$413 per tonne in the third quarter compared to \$405 per tonne in the second quarter of 2018 as marginally higher industry supply was matched by strong methanol demand which sustained tight market conditions."

"We are extremely pleased to have recorded Adjusted EBITDA of \$874 million in the first nine months of 2018, surpassing the record annual Adjusted EBITDA in 2017 of \$838 million. These results reflect the investments we have made over the past few years to increase our production capability, which have substantially improved our earnings power and ability to generate significant free cash flow at a wide range of methanol prices."

"In addition, we announced earlier this month that we restarted and produced methanol from our Chile IV plant for the first time since 2007. We expect the plant to ramp up to full production rates over the coming weeks and have also begun to receive natural gas from Argentina for the first time in 11 years. These achievements represent a significant step towards a two-plant operation in Chile, without seasonal restrictions, in the long-term."

"We returned \$139 million to shareholders through our regular dividend and share repurchases during the third quarter. To September 30, 2018 we have repurchased 5,400,000 common shares, of the 6,590,095 approved, for approximately \$366 million since the start of our normal course issuer bid on March 13, 2018."

We have \$261 million of cash on hand at the end of the third quarter, a committed revolving credit facility and a robust balance sheet. Our balanced approach to capital allocation remains unchanged. We believe we are well positioned to meet our financial commitments, pursue our growth opportunities 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 2018. It is not a complete source of information for readers and is not in any way a substitute for reading the third quarter 2018 Management's Discussion and Analysis ("MD&A") dated October 24, 2018 and the unaudited condensed consolidated interim financial statements for the three and nine month periods ended September 30, 2018, 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 three and nine month periods ended September 30, 2018 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 2018	Jun 30 2018	Sep 30 2017	Sep 30 2018	Sep 30 2017
<i>(\$ millions except per share amounts and where noted)</i>					
Production (thousands of tonnes) (attributable to Methanex shareholders)	1,735	1,648	1,765	5,326	5,245
Sales volume (thousands of tonnes)					
Methanex-produced methanol	1,790	1,729	1,753	5,403	5,299
Purchased methanol	802	709	757	2,124	1,656
Commission sales	279	329	261	929	862
Total sales volume ¹	2,871	2,767	2,771	8,456	7,817
Methanex average non-discounted posted price (\$ per tonne) ²	486	478	351	480	394
Average realized price (\$ per tonne) ³	413	405	307	407	332
Revenue	1,044	950	720	2,955	2,199
Adjusted revenue	1,067	972	775	3,025	2,322
Adjusted EBITDA	293	275	143	874	584
Cash flows from operating activities	228	290	119	762	574
Adjusted net income	152	143	52	466	266
Net income (attributable to Methanex shareholders)	128	111	32	408	248
Adjusted net income per common share	1.92	1.75	0.60	5.71	3.03
Basic net income per common share	1.62	1.36	0.38	5.01	2.83
Diluted net income per common share	1.61	1.36	0.38	5.00	2.83
Common share information (millions of shares)					
Weighted average number of common shares	79	82	86	82	88
Diluted weighted average number of common shares	79	82	86	82	88
Number of common shares outstanding, end of period	78	80	85	78	85

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"). There was 20,000 MT of Tolling Volume produced in the third quarter of 2018 and 48,000 MT in the second quarter of 2018. There was no Tolling Volume in the third quarter of 2017.

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 attributable to Methanex shareholders to Adjusted net income and the calculation of Adjusted net income per common share is as follows:

	Three Months Ended			Nine Months Ended	
	Sep 30 2018	Jun 30 2018	Sep 30 2017	Sep 30 2018	Sep 30 2017
<i>(\$ millions except number of shares and per share amounts)</i>					
Net income (attributable to Methanex shareholders)	\$ 128	\$ 111	\$ 32	\$ 408	\$ 248
Mark-to-market impact of share-based compensation, net of tax	24	32	20	58	18
Adjusted net income	\$ 152	\$ 143	\$ 52	\$ 466	\$ 266
Diluted weighted average shares outstanding (millions)	79	82	86	82	88
Adjusted net income per common share	\$ 1.92	\$ 1.75	\$ 0.60	\$ 5.71	\$ 3.03

- We recorded net income attributable to Methanex shareholders of \$128 million during the third quarter of 2018 compared to net income of \$111 million in the second quarter of 2018. The increase in earnings is primarily due to an increase in sales of Methanex-produced methanol, an increase in our average realized methanol price during the third quarter, and the change in the mark-to-market impact of share-based compensation.
- We recorded Adjusted EBITDA of \$293 million for the third quarter of 2018 compared with \$275 million for the second quarter of 2018. Adjusted net income was \$152 million for the third quarter of 2018 compared to Adjusted net income of \$143 million for the second quarter of 2018. The increase in Adjusted EBITDA and Adjusted net income is primarily due to an increase in sales of Methanex-produced methanol and an increase in average realized price to \$413 per tonne for the third quarter of 2018 from \$405 per tonne for the second quarter of 2018.
- Production for the third quarter of 2018 was 1,735,000 tonnes compared with 1,648,000 tonnes for the second quarter of 2018.
- Total sales volume for the third quarter of 2018 was a record 2,871,000 tonnes compared with 2,767,000 tonnes for the second quarter of 2018. Sales of Methanex-produced methanol were 1,790,000 tonnes in the third quarter of 2018 compared with 1,729,000 tonnes in the second quarter of 2018.
- To September 30, 2018 we have repurchased 5,400,000 common shares, of the 6,590,095 approved, for approximately \$366 million since the start of our normal course issuer bid on March 13, 2018.
- During the third quarter of 2018 we paid a \$0.33 per common share quarterly dividend to shareholders for a total of \$26 million.
- We recently restarted our 0.8 million tonne Chile IV plant that has been idle since 2007 and expect the plant to ramp up to full production rates over the coming weeks. Additionally, the Argentine Government has granted permits to allow for the export of natural gas from Argentina to Chile and Methanex has begun to receive natural gas from Argentine suppliers in October 2018. 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 until mid-2020.
- We continue to make good progress on a potential Geismar 3 production facility. We expect to spend approximately \$50 to \$60 million on this project prior to reaching a final investment decision by mid-2019. We believe that the potential Geismar 3 project would be advantaged relative to other projects being contemplated or under construction in the US Gulf.

PRODUCTION HIGHLIGHTS

<i>(thousands of tonnes)</i>	Q3 2018		Q2 2018	Q3 2017	YTD Q3 2018	YTD Q3 2017
	Operating Capacity ¹	Production	Production	Production	Production	Production
New Zealand ²	608	478	252	502	1,217	1,385
Geismar (USA)	500	520	518	499	1,551	1,429
Trinidad (Methanex interest) ³	500	353	442	457	1,254	1,302
Egypt (50% interest)	158	128	165	71	458	389
Medicine Hat (Canada)	150	144	143	158	440	435
Chile ⁴	220	112	128	78	406	305
	2,136	1,735	1,648	1,765	5,326	5,245

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 produced 478,000 tonnes compared with 252,000 tonnes in the second quarter of 2018. Production in the third quarter of 2018 is higher than the second quarter of 2018 by 226,000 tonnes as major turnaround activities were completed at the end of June. However, production in New Zealand was impacted in the third quarter as we experienced gas constraints as a result of natural gas suppliers completing planned and unplanned maintenance activities. We expect the gas constraints to be resolved in the fourth quarter.
- Geismar production rates continue to be strong, with production of 520,000 tonnes.
- Trinidad produced 353,000 tonnes (Methanex interest) compared with 442,000 tonnes in the second quarter of 2018. Production in Trinidad was lower in the third quarter of 2018 compared to the second quarter of 2018 primarily as a result of interruptions to the electricity supply to the site and mechanical issues at both plants during the quarter. Additionally, we continue to experience gas curtailments in Trinidad.
- The Egypt facility produced 256,000 tonnes (Methanex interest - 128,000 tonnes) in the third quarter of 2018 compared with 330,000 tonnes (Methanex interest - 165,000 tonnes) in the second quarter of 2018. Mechanical issues primarily related to the supply of off spec natural gas at the Egypt facility resulted in lower production in the third quarter of 2018 compared to the second quarter of 2018. Natural gas supplied to the facility following the outage has since met specifications.
- Medicine Hat produced 144,000 tonnes during the third quarter of 2018, and 143,000 tonnes in the second quarter of 2018. We experienced CO₂ supply constraint during both the second and third quarters of 2018. CO₂ supply resumed late in the third quarter of 2018 and is expected to continue for the foreseeable future.
- Chile produced 112,000 tonnes, including 20,000 tonnes produced through a tolling arrangement with natural gas from Argentina. This compares to 128,000 tonnes during the second quarter of 2018, including 48,000 tonnes through the tolling arrangement.

CONFERENCE CALL

A conference call is scheduled for October 25, 2018 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 and will also be available following the call. A playback version of the conference call will be available until November 8, 2018 at (905) 694-9451, or toll free at (800) 408-3053. The passcode for the playback version is 9757508#.

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 2018 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 2018 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, Adjusted net income 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 14 of the Company's MD&A for the period ended September 30, 2018 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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