



# METHANEX Medicine Hat ournews

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## Medicine Hat methanol expansion project update

**M**ethanex continues to look for opportunities to grow our business and expand our operations.

The ongoing feasibility of a new methanol plant at the Medicine Hat facility is part of our ongoing process to evaluate a number of potential project opportunities in North America and globally.

“We continue to develop this significant project,” says CEO John Floren. “Medicine Hat is a great location to build a new methanol plant, but there are challenges which include high capital costs in Alberta, mainly related to labour, securing a cost effective long-term gas contract, and logistics costs as we need to move the product to the Asian market where most of the growth in methanol is occurring.”

Medicine Hat has the benefit of being an existing methanol production site and is also positioned to benefit

from the competitive gas prices that have historically been experienced in Alberta. These benefits are offset by the higher logistics costs associated with its inland location.

Methanex continues to be optimistic about the longer term future of the global methanol market and supply of North American natural gas.

“We had planned to make a decision on the new plant in 2014,” adds Floren. “The timing of a decision will be extended as we need to refine the estimates on capital costs, obtain a gas contract, and secure a suitable logistics solution to move the product to Asia.”

If approved, the project would require approximately 1,000 workers during construction and approximately 50 additional permanent, full-time positions once it is operational.

*Image: The Methanex Medicine Hat plant site.*

# Focus on prevention — process safety

Anneleen Muller, process safety lead, was welcomed to the Methanex team in summer 2014. Muller has her masters in process safety and loss prevention from the University of Sheffield in the United Kingdom.



Anneleen Muller

Process safety is Muller's passion. Her interest was sparked when an employee was injured during a chemical spill incident at a nuclear fuel production facility where she had previously worked. Muller said it made her realize that complying with occupational health and safety standards wasn't sufficient safety management at an industrial facility. A plant also must be operated and maintained with an understanding of the risks related to the process.

## What is process safety?

Process safety is a program or management system that a company implements for the prevention of, preparedness for, mitigation of, response to, and recovery from catastrophic releases of chemicals or energy from a process. Process safety manages the integrity of the hazardous operating systems and processes by applying good design principles, engineering, and operating and maintenance practices throughout the lifetime of the facility.

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## Safety event provides education about transport of hazardous goods

The Canadian Pacific (CP) rail yard in Medicine Hat was full of activity on Sept. 21 and 22, 2014, as emergency personnel received information and training about equipment, procedures, and hazards associated with the transportation of dangerous goods that pass through the community every day. Methanex participated in the two-day training, which was part of a larger outreach event by the Prairie Region TRANSCAER® Committee.

TRANSCAER®, Transportation Community Awareness and Emergency Response, is an initiative of the Chemistry Industry Association of Canada (CIAC) that works with transportation carriers to ensure the safe handling of dangerous goods. It also ensures communities are aware of the products passing through their area, and the safety measures in place to respond to incidents.

Thirty-five emergency response personnel from the Government of Alberta Environment and Sustainable Resource Development, the County of Newell, Cypress County, and the communities of Brooks, Medicine Hat, Redcliff, and Taber attended. Members of Methanex's Medicine Hat Community Advisory Panel also experienced the event, which featured TRANSCAER's safety railcar, Methanex's fire truck, a Caron Transportation Systems truck, and

information stands from CP and Quantum Murray, a contractor Methanex uses for off-site emergency response services. Participants were not only able to familiarize themselves with the equipment used to transport dangerous goods, but were given the opportunity to see what local resources are available in the event of an incident.

"The biggest revelation to most was the cooperative approach between companies with regards to the provision of emergency response information and resources," said Methanex's Simon Goldring, training and emergency services advisor, who assisted in the coordination of the event. "Others found the event beneficial because they were able to make direct contact with companies whose products are passing through our community."

As a member of CIAC and a Responsible Care® company, Methanex is committed to maintaining the highest safety standards. Participating in events of this nature is one way we are able to promote and contribute to the safe transportation of methanol.

*Image: Methanex Plant Manager Paul Daoust with Medicine Hat City Councillor Celina Symmonds, Mayor Ted Clugston, and Community Advisory Panel members Heather Bach and Boris Grisonich in front of the safety rail car at the Prairie Region TRANSCAER® Committee's safety outreach event.*





## A season of giving back to the community

Methanex strives to be a respected and valued corporate citizen by creating positive and sustainable impacts in our communities. Our dedication to providing socially responsible community investments is a component of this. We look to understand our community's needs and offer sustainable assistance where we can.

During the last quarter of 2014, we participated in a food drive for the Medicine Hat and District Food Bank. Methanex matches all monetary donations raised by employees through our Partnering with Employees Program. Our total site donation to the Food Bank ended up being 18,752 lbs — an increase of 5,285 lbs over last year's food drive. The Food Bank provides a critical service in Medicine Hat by ensuring available, accessible, and adequate food, free of charge, to residents in need.

On Nov. 20, 2014, the Medicine Hat and District Child Care Association hosted National Child Day in partnership with the YMCA. This event encourages families and caregivers to participate in recreational activities with their children. Methanex contributed \$250 to the event through our Responsible Care Community Investment Program, which provided free healthy snacks for the families who attended.

The Medicine Hat News Santa Claus Fund continues to be a cause close to our heart. Through our partnership with this organization, we are able to ensure that families in need in our community will have the opportunity to experience the holiday season. In 2014, we donated \$5,400 to the charity through our Responsible Care Community Investment Program, guaranteeing that 12 families had the opportunity to enjoy the holiday season. Our Methanex elves, with the help of Medicine Hat Transit, ensure all the presents are delivered to the families.

Our season of giving concluded with a donation of furniture to the Inn Between Youth Shelter in Medicine Hat. One of our departments held a team building day to assemble and then deliver the furniture to the shelter, where they got the opportunity to meet caseworkers and the local youth who live there.

*Images: (Top) Methanex employees pose with a cheque for \$9,073.30 for the Medicine Hat and District Food Bank. (Bottom, left to right) The Methanex elves deliver presents for the Santa Claus Fund; a Methanex Operations crew with the furniture they donated to the Inn Between Youth Shelter; Methanex elves make deliveries.*



# Training reinforces safety for employees, contractors

As a Responsible Care® company, Methanex is dedicated to providing a safe and healthy work environment for our employees and contractors. In the event of a serious incident, having on-site high-angle and confined space entry rescue capabilities is one way we are able to ensure continued individual safety.

This past fall, eight individuals with Methanex Medicine Hat's emergency response team participated in a series of exercises which had them rescuing 'injured individuals' at heights and in restricted movement areas.

The high-angle rescue training involved demonstrations that included repelling off major pieces of equipment at our facility.

"We not only trained the emergency response team volunteers in high-angle rescue techniques, but also reviewed the greatest risk areas for falls and tested various pieces of equipment so we could select the most appropriate for our needs," said Simon Goldring, Methanex training and emergency services advisor.

The emergency response team was challenged once again when they undertook the confined space entry rescue training. Goldring said training of this nature is incredibly valuable, as 60 per cent of the deaths of emergency responders occur because they rush into a confined space without taking the proper precautions. He added that gaining practical experience

can be difficult as on-site equipment cannot be shut down to accommodate it.

For this reason, the confined space rescue training was held in a specially-designed 24-foot trailer. With movable walls, responders initiated each rescue in a new and unknown configuration under the realistic conditions of a dark, noisy, and cramped environment. The trailer also

gave the responders the opportunity to experience the difficulties of a rescue while wearing both a Self-Contained Breathing Apparatus (SCBA) and fall arrest equipment, as well as entering a confined space using top and side entry techniques.

*Images: A member of our emergency response team navigates the confined space entry rescue trailer during training.*



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**As a Responsible Care company, what is the value of process safety and how does Methanex integrate it at our Medicine Hat facility?**

Responsible Care® is the industry's commitment to sustainability. By implementing process safety, Methanex works to eliminate major harm to the company, workers, neighbours, and the environment.

Process safety requirements are incorporated into the overall management of the facility. Each department and every employee takes ownership of the process safety aspects related to their area of operation. The process safety function is responsible to



Anneleen Muller in front of the reformer at the Methanex Medicine Hat plant site.

pull it all together, to track the status of the management system, and to train and guide employees on continual improvement of process safety.

**How do we know process safety is working?**

Since process safety is focused on controlling the low frequency, high consequence incidents, you know it's working when there are no major incidents or accidents. Also, we measure and monitor various key performance indicators, such as incident reporting and investigation, and the number of times the safety shutdown systems are activated, to make sure our process safety management system is working. By tracking and trending the key performance indicators, we can identify possible risks and areas for improvement proactively.