Methanex Announces Final Investment Decision for Advantaged Geismar 3 Project

July 2019

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Forward-Looking Statements and Non-GAAP Measures

Information contained in these materials or presented orally, 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 2018 Annual MD&A and our first quarter 2019 MD&A, as well as slide 9 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 2018 Annual MD&A and our first quarter 2019 MD&A.

All figures are in US dollars unless otherwise specified.

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Advantaged Geismar 3 Methanol Project

Project overview

- **Size**: 1.8 million MT per year
- **Location**: Geismar, Louisiana adjacent to existing Geismar 1 and 2 facilities
- **Estimated capital cost**: \$1.3-\$1.4 billion
- **Estimated capital intensity**: < \$775/MT
- **Construction**: starting August 2019
- **Operational**: targeted 36 months after start of construction (2H 2022)

Distinct project advantages

Process technology

- Uses excess purge gas from G1/G2
- Eliminates primary reformer (significant capital cost savings)

Industrial park synergies

- Advantaged site with existing suppliers for feedstock, utilities and logistics

Brownfield advantages

- Scope reduced with shared infrastructure (roads, buildings, piperacks)

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Robust Project Economics Create Long-term Value

Capital and operating cost advantages

- Estimated $8-10/share of advantages relative to other US Gulf greenfield projects
- Estimated 20% operating cost advantage
- Positioned on lower half of industry cost curve

Substantial value creation

Outstanding project returns

Management estimates:

- Base case IRR of 15-19% at $350-$400/MT methanol price and $3.00/mmbtu gas price
- Estimated NPV approximately $10-19/share

Advantaged hurdle rate

- Hurdle rate of 12% exceeded at $325/MT
- Cost of capital returned at < $300/MT
- Other US Gulf greenfield projects need a long-term methanol price of ~$400/MT to meet Methanex's return target

Project is Well-Planned to Mitigate Risk

Well-defined execution plan

- High confidence in capital cost estimate
- Significant portion of costs are fixed
- Healthy contingency for remaining risks
- Schedule optimized ahead of anticipated major construction activity in the area
- Independent reviews completed for readiness, costs and schedule
- Seasoned team and quality contractors with experience on the same site

Current site for Geismar 3 plant

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Strong Balance Sheet and Committed Financing

Financing framework

1. Ensure sufficient financial flexibility across a range of methanol prices to manage unforeseen business stress
2. Target leverage consistent with investment grade metrics (2-3x debt/EBITDA)
3. Company expects to continue to generate excess cash at a wide range of prices

Note: As part of the cooperation agreement we reached with M&G Investments earlier this year, we retained an independent financial advisory firm to advise and support the Audit, Finance and Risk Committee of the Board in reviewing the Company's financing plan for the Geismar 3 project. The independent review was rigorous and the report, which was reviewed in detail with the Audit, Finance and Risk Committee and shared with the full Board as part of their review of the Geismar 3 project, concluded that we have a robust financing plan.

Financing plan

Funding

- Arranged five-year $800 million construction loan facility
  - Expect to access debt capital markets in H2 2019 to:
    - Pre-fund approximately $250 million of the Geismar 3 2020 expenditures; and
    - Repay $350 million bonds due in December 2019

Flexibility

- Arranged renewal of $300 million existing revolving credit facility to provide further liquidity (five years)
- Maintain strong cash balances during construction
- Financing terms provide flexibility to manage unforeseen business stress

Balanced approach to capital allocation

- Expect to continue balanced approach to capital allocation during construction at a wide range of methanol prices

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The Right Project at the Right Time

We are well-positioned to execute this project now

Positive long-term industry outlook
Industry capacity additions needed to meet expected growth in methanol demand

Underpins global leadership position
Enhances asset portfolio with additional low cost capacity

Outstanding project economics
Significantly exceeds hurdle rate based on distinct project advantages

Strong balance sheet and robust, flexible financing plan
- Arranged $800M construction facility
-Arranged renewal of $300M revolving credit facility
-Expect to access debt capital markets to pre-fund a significant portion of G3 2020 expenditures

Rigorous well-defined execution plan
Significant portion of costs secured with healthy contingency for residual risk

Experienced project team in place
Seasoned team and quality contractors in place with prior experience on the same site

Favourable construction window
Schedule optimized ahead of anticipated increase in major construction activity in the area

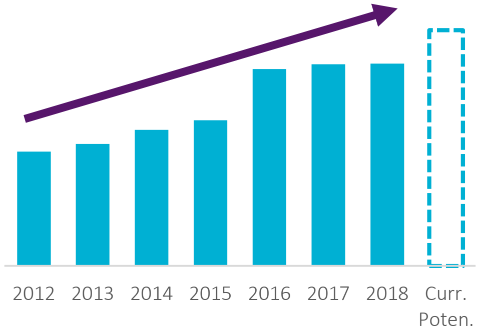
Supply chain flexibility
Low cost ability to adjust trade flows to deliver secure reliable supply and respond to trade tensions

Growth Project Aligned with Consistent Strategy, Proven Results

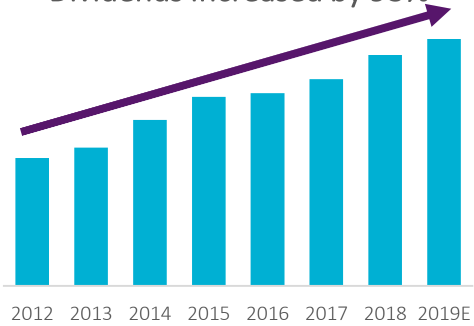
Maintain and enhance our position as the global methanol industry leader

- Track record of disciplined capital investments to enhance our leadership position while maintaining a strong balance sheet and returning excess cash to shareholders
- Returned $660 million of excess cash to shareholders during G1/G2 project
- Average Modified ROCE[1] of 15% over last 15 years
- Geismar 3 will significantly enhance our asset portfolio starting in 2023

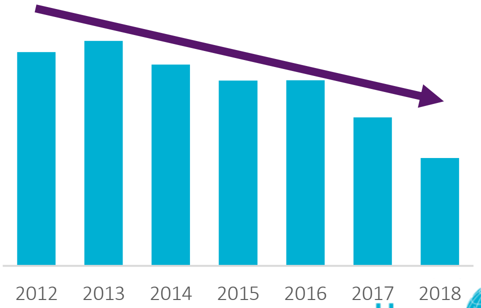
Production Increased by 77%



Dividends Increased by 93%



Share Count Reduced by 18%



1. Modified ROCE = Adjusted net income before finance costs (after-tax) divided by average productive capital employed. Average productive capital employed is the sum of average total assets (excluding plants under construction) less the average of current non-interest bearing liabilities.

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Forward-Looking Information

This presentation contains 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", "targets" 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 actions taken or inaction by Egyptian governmental entities; 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, governmental 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, 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 2018 Annual Management's Discussion and Analysis and our First Quarter 2019 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.