Methanex Investor Presentation

March 2017

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A RESPONSIBLE CARE® COMPANY

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 our fourth quarter 2016 MD&A, as well as slide 33 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 fourth quarter 2016 MD&A.

Investment opportunity

Global Methanol Leader

- Leading market share
- Competitive assets

Strong Cash Flow Generation & Distributions

- Solid growth in cash generation capability
- ~47% of shares bought back since 2000
- Dividend raised 11 times since implemented 2002; $1.10/share

Positive Long-term Industry Outlook

- Healthy demand growth outlook
- Limited new supply

Growth Potential

- Production: Low-cost growth opportunity in Chile
- Market: Demand growth into energy applications & MTO

Value

- Trading at a discount to replacement cost

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Investment opportunity

Upside Leverage, Downside Protection

60% capacity growth in 3 years

- Three million tonnes in capacity growth 2013-15
- New capacity growth positioned in OECD countries, reducing risk

Responsive Cost Structure

- Gas contracts for approx. 2/3 of capacity linked to methanol prices
- Shipping costs benefit from lower fuel prices
- Flexible global supply chains allows agility in serving customers

Strong demand upside at higher energy prices

- Estimated 5% CAGR to 2020
- Upside potential at higher energy prices

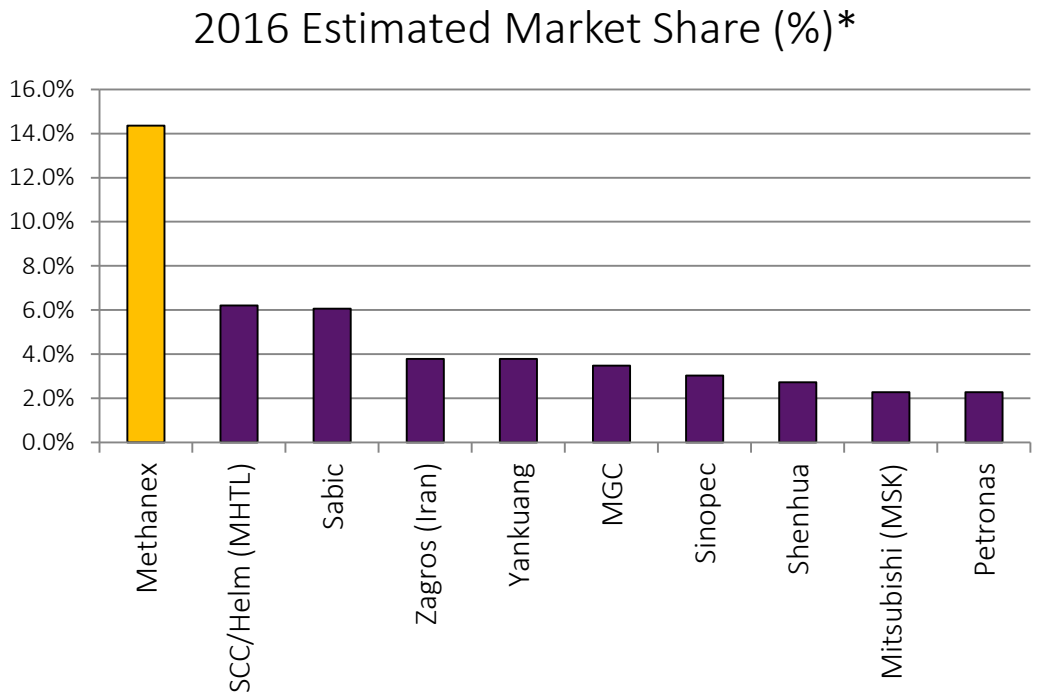
Methanol cost curve serves as floor

- Methanex generated positive free cash flow at bottom-of-cycle pricing in 2016.

Strong Liquidity Position

- Strong balance sheet
- Limited near-term commitments for cash
- Undrawn $300 million credit facility

Market Share



Source: Methanex.

*Note earlier versions of this presentation excluded China based producers because these companies are involved in the domestic China market only

- ~66 million tonnes global demand in 2016[1]
- Top producers ~ half of global sales
- Methanex is the global leader
  - ~14% share of global market[2]
  - Unique global position with sales in all major regions

[1] Excluding integrated coal-to-olefins (CTO) demand.

[2] Includes Methanex's share of total methanol sales excluding methanol consumed by CTO producers.

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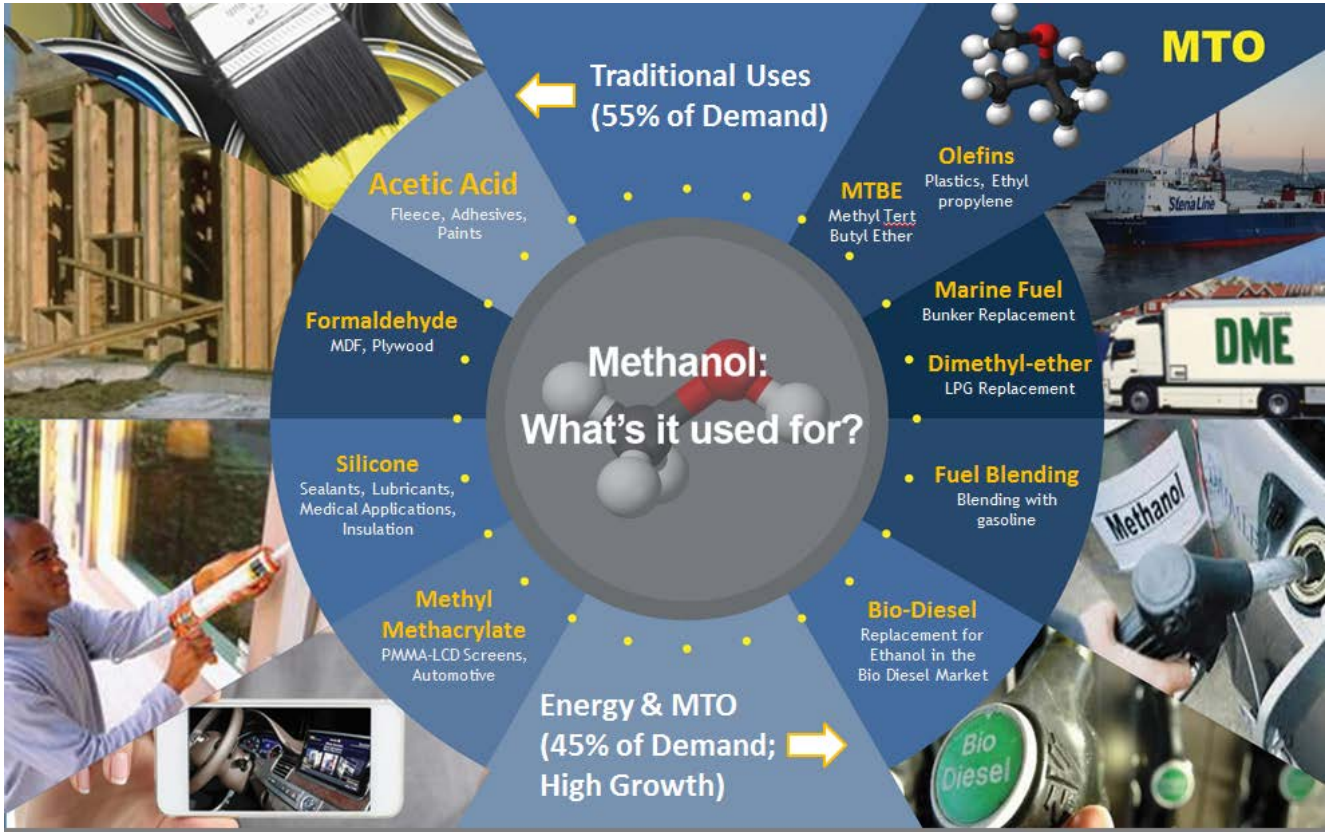
Methanol end uses



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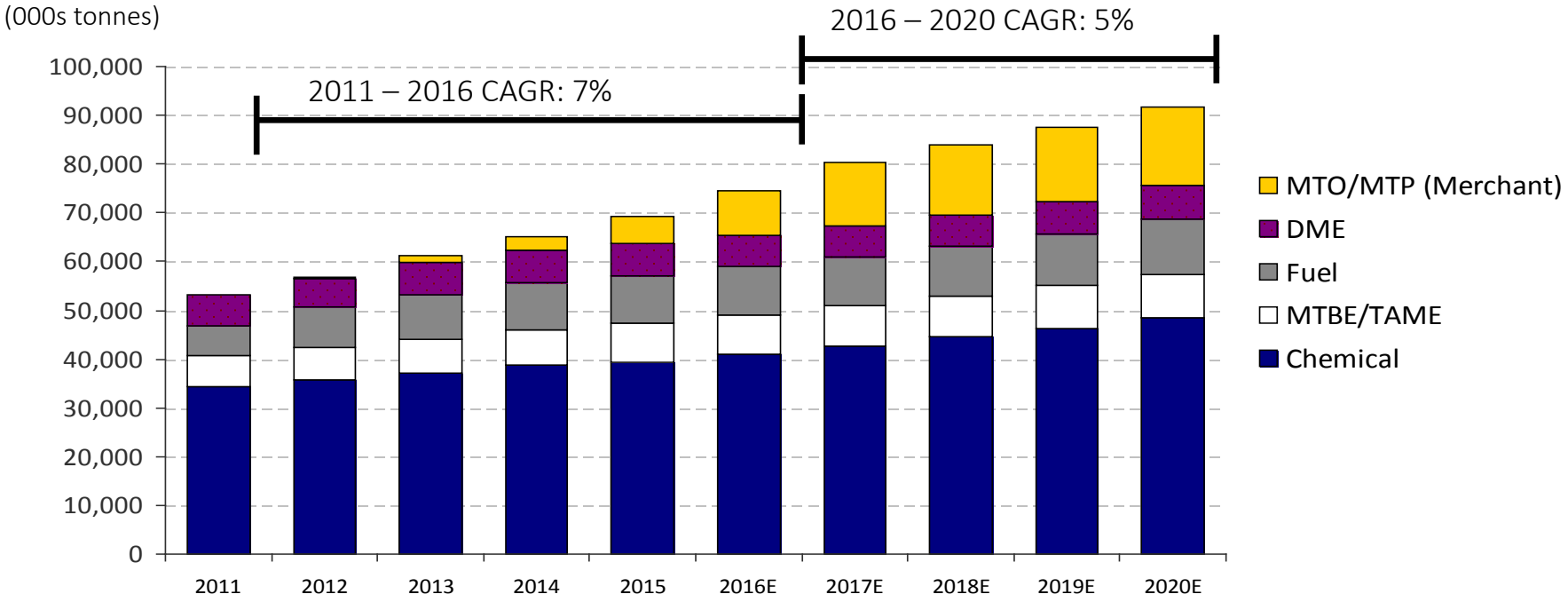
Strong demand growth



- Projected 5% CAGR for fours years to 2020, led by MTO

Source: IHS Chemical, Chemical Supply and Demand Balance 2017.

Excludes integrated methanol demand for methanol to olefins and propylene.

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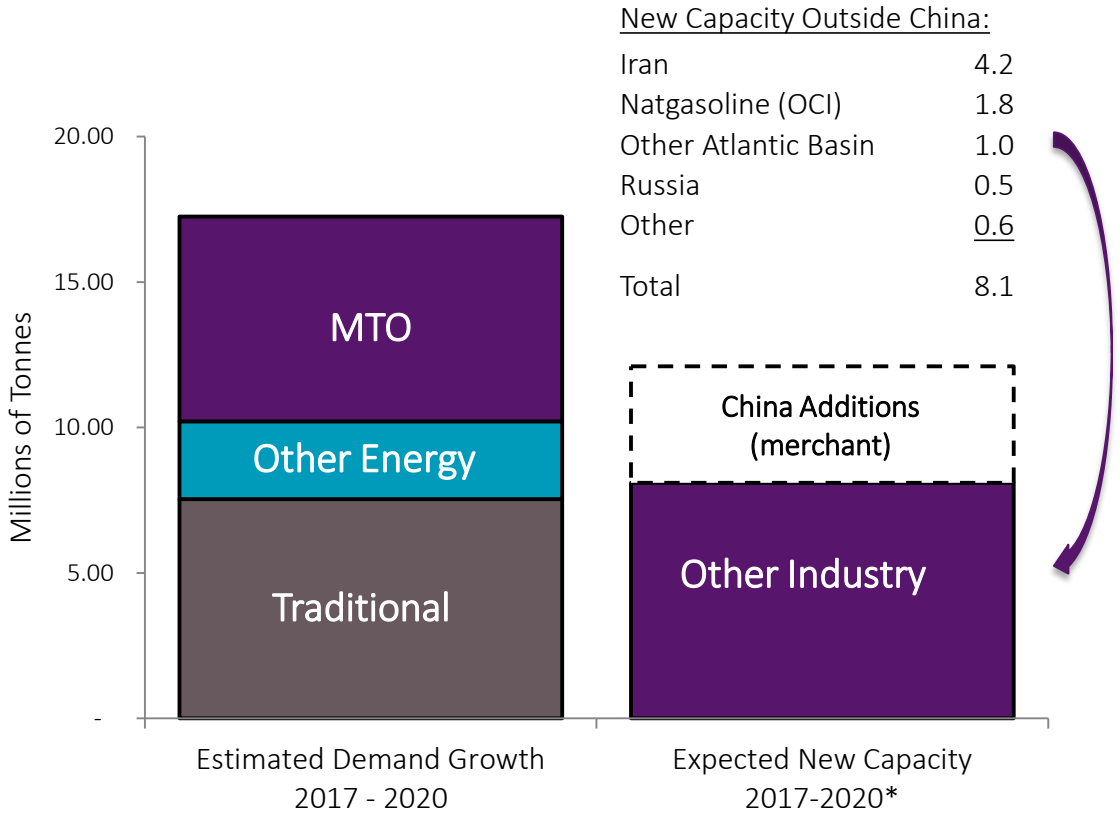
Demand/supply balance



- Demand expected to outpace new supply
- Supply gap expected to be closed through higher operating rates for existing higher cost China plants, or lower demand
- Estimated capacity additions exclude potential shutdowns

Sources: Demand from IHS Chemical, "Chemical Supply and Demand Balance Update 2017." Excludes demand from upstream-integrated coal-to-olefins plants. *Capacity figures from Methanex

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Reinvestment economics

Estimated Nominal IRR at Alternative Methanol and Gas Prices

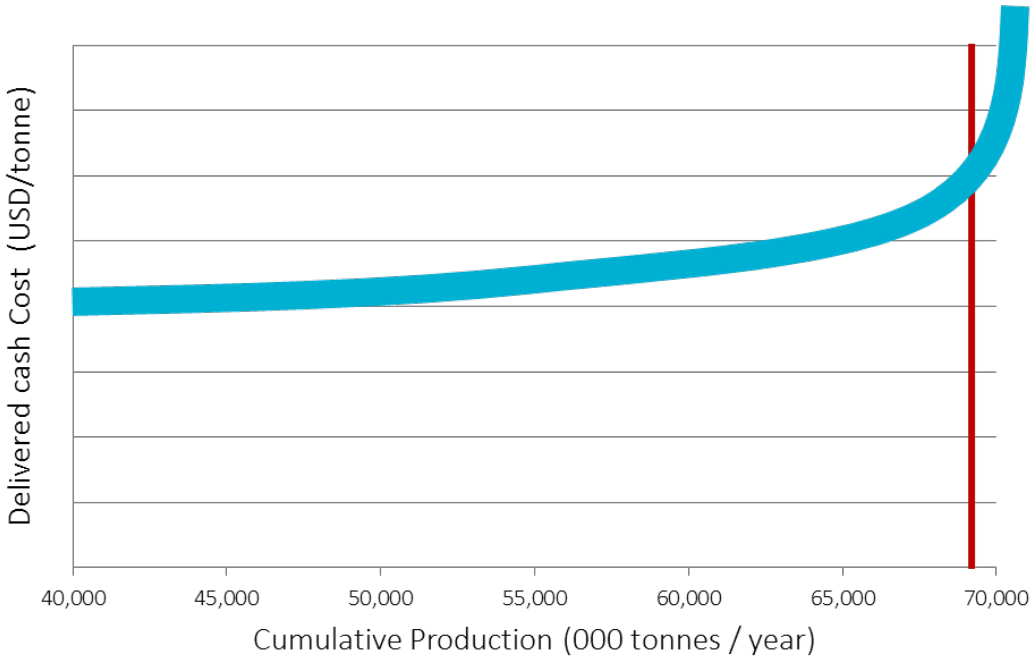
Natural gas $/mmbtu	Realized Methanol Price - $/ tonne			
	300	350	400	450
5.0		2%	8%	12%
4.0	0%	6%	11%	14%
3.0	5%	9%	13%	15%
2.0	8%	12%	14%	17%

Key Assumptions: Replacement cost of $1,100/tonne based on published estimates for the OCI 1.75 million MT Natgasoline project and G2X Lake Charles 1.4 million MT plant. Maintenance capital $10 million/yr, freight $80/tonne (US to Asia), 30% tax rate, 2% inflation

Source: Methanex

- Today potential new North America projects are challenged by:
  - Methanol price outlook vs return requirements
  - Capital cost pressure and uncertainty
  - Increased risk on key variables (capital, gas)
- Several projects under discussion, but none have reached Final Investment Decision

Illustrative methanol industry cost curve



- Flat portion of cost curve provides floor price support in lower energy price environment
- Steep high end includes Coastal China high cost coal and natural gas based production
- Other higher cost regions are Russia, East Europe, Netherlands, India, and South America
- Methanex plants are well positioned on cost curve to be competitive through all points in the methanol price cycle

Source: Methanex

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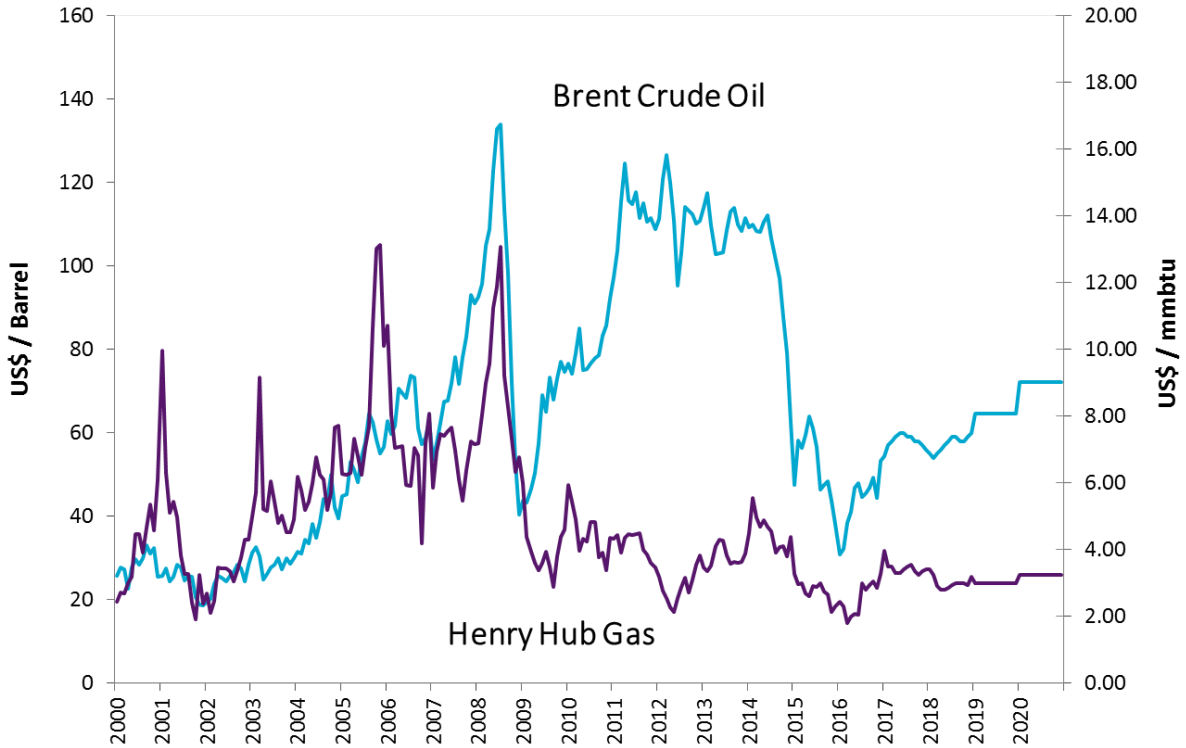
Methanol as Energy



Source: Historical annual data and forecast from IHS Chemical, January 2017

- Methanol is primarily made from natural gas, and is a liquid fuel and oil product alternative
- High priced oil versus natural gas creates substitution incentive
- Energy applications emerged post 2008 when the ratio of oil $/bbl and natural gas $/mmbtu prices exceeded 15:1 (current ratio is 22:1)

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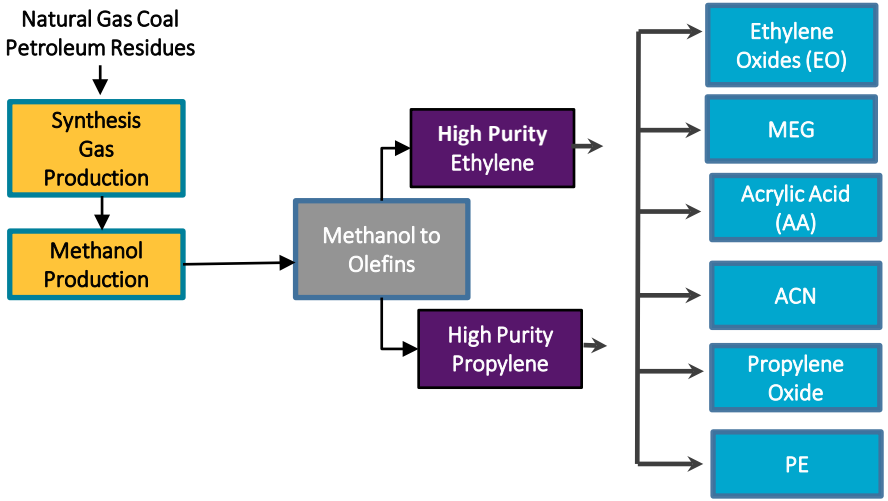
Methanol-to-Olefins (MTO)



Fund Energy Ningbo 's 1.8 MMT merchant methanol to 0.6 MMT olefins plant

- MTO an alternative process to Naphtha cracking for olefins production (plastics)
- Two main pathways
  - Upstream Integrated (CTO) – olefins produced directly from coal, methanol an intermediate step, mainly inland locations
  - Merchant (MTO) – methanol purchased from external suppliers, mainly coastal locations
- China merchant MTO capacity well established, still growing strongly

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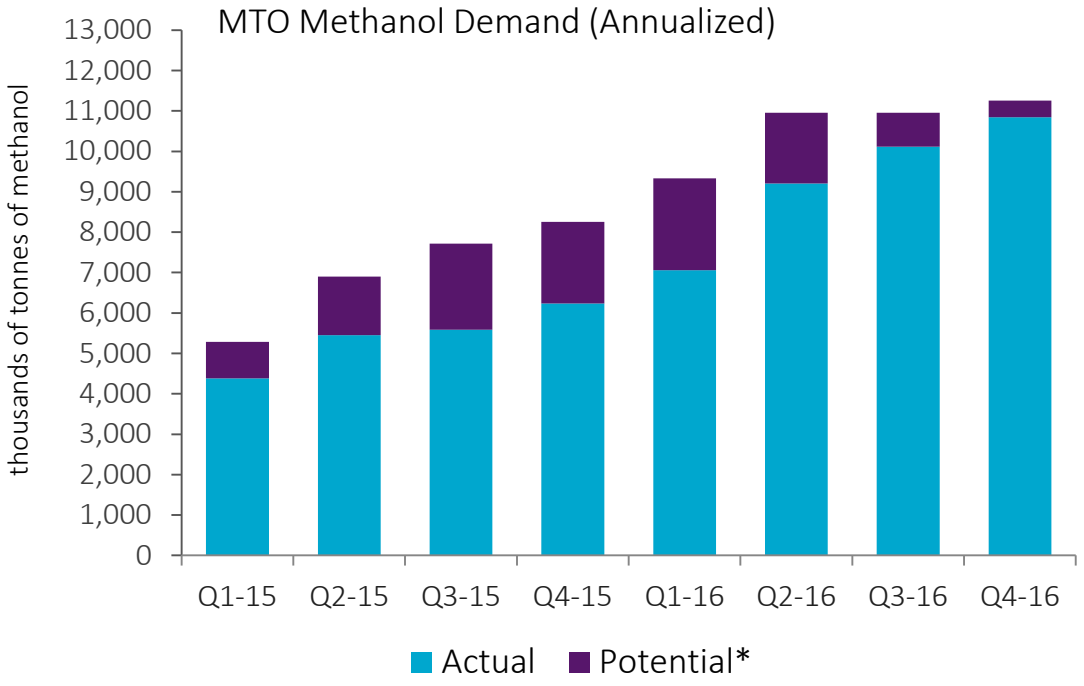
MTO leading methanol demand growth



- Upside demand potential based on current installed capacity
- Two new plants started up in December, 2016 with demand potential over 3 million tonnes at full operating rates
- Third plant later in 2017 with demand potential of 1.8 million tonnes at full rates

* Potential demand based on 90% operating rate. Excludes demand and capacity for methanol-to-propylene plants (“MTP”)

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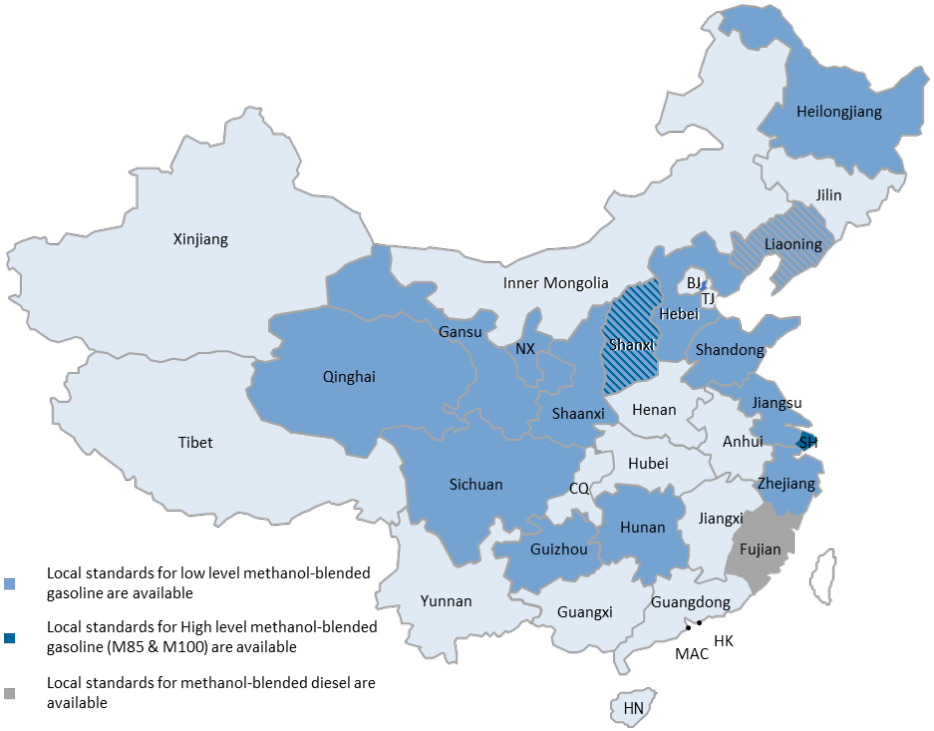
Fuel blending

China fuel demand growth expected to continue

Province	Local Methanol Fuel Blending Standards*	Implemented Since
Shaanxi	M15 & M25	2004
Sichuan	M10	2004
Heilongjiang	M15	2005
Liaoning	M15, M20 (methanol-blended diesel)	2006
Qinghai	M5, M10 & M15	2006
Shanxi	M5, M15, M85 & M100	2008
Fujian	M15 (methanol-blended diesel)	2009
Gansu	M15 & M30	2009
Jiangsu	M45	2009
Zhejiang	M15, M30 & M50	2009
Guizhou	M15	2010
Hebei	M15	2010
Hunan	M15, M25 & M30	2012
Shanghai	M100	2012
Shandong	M15	2013
Ningxia	M15 & M30	2014



- Since 2004, sixteen provinces have issued local standards on methanol-blended fuel, most of which are for low level methanol-blended gasoline.
- China's high blend (M85-M100) methanol vehicle pilot program has grown from three provinces/regions in 2012 to five currently with further expansion planned for 2017/18.

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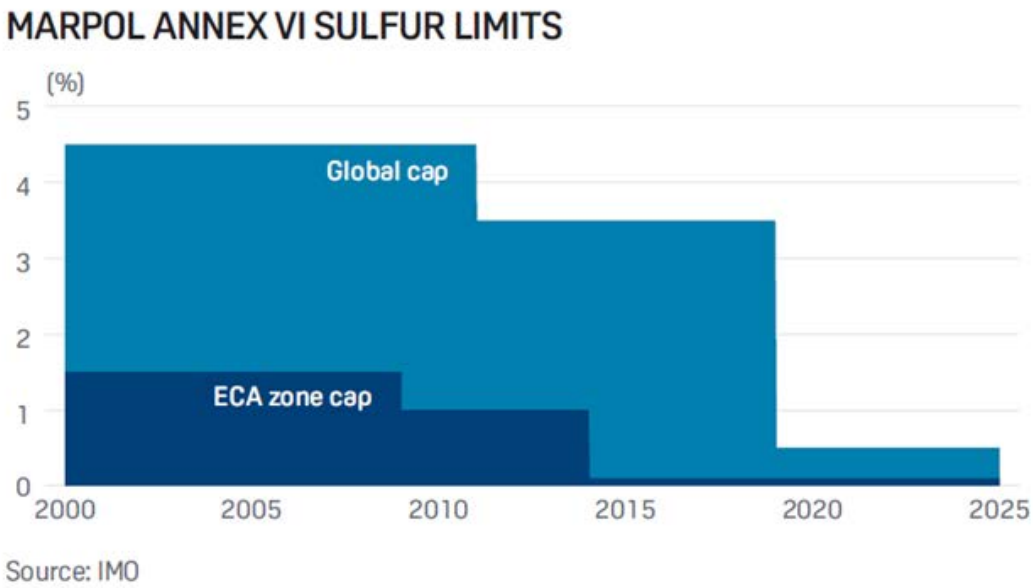
Emerging market – marine fuel



Source: IMO

The above chart shows Marpol Annex VI (IMO regulations) for allowable sulphur emissions in Existing Emission Control ("ECA") areas, as well as global limits expected by 2020.

- 100,000+ commercial vessels in the world operating on high sulphur Heavy Fuel Oil (HFO). Methanol is sulphur free.
- International Maritime Organization
  - Reduced allowable sulphur limits in N. Europe and N. America to 0.1% in January 2015 - precludes HFO.
  - In late 2016, announced global sulphur cap of 0.5% starting in 2020.
- China phasing in regulations to reduce sulphur and NOx from marine fuels over next few years (coastal and inland)
- Marine fuels global market size: ~650 million tonnes per annum methanol energy equivalent

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Positive marine fuel developments

- Waterfront Shipping launched seven new 50,000 dwt vessels in 2016 with methanol dual-fuel MAN 2-stroke engines
- Stena Line converted Germanica ferry to run on methanol in 2015 using Wartsila 4-stroke engines
- Projects under development in Europe to commercialize the smaller engine/tug market (i.e. GreenPilot, LeanShips)

One of Waterfront's first methanol powered vessels

Stena Line's first methanol powered ferry

Emerging Market - Industrial Boilers

Significant potential to substitute coal-fueled industrial boilers in China

- China's air quality emissions regulations are leading to phasing out of coal-fueled boilers in favor of cleaner fuels including methanol
- Currently ~1/2 million coal-fueled industrial boilers in China
  - ~500+ million tonnes per annum methanol demand equivalent[1]
  - ~1,300 methanol-fueled boilers (~1.5 million tonnes per annum methanol demand) already in operation in China. [2]
- Strong business case for methanol compared to diesel & natural gas: [2]
  - Competitive fuel, infrastructure, and conversion costs
  - Lower emissions than diesel
- Methanex is supporting the development of national standards for methanol-fueled industrial boilers to ensure safe and sustainable market growth

Typical 4 steam ton/hour boiler in China consumes ~1,200 tonnes methanol equivalent in fuel per annum.

[1] Lawrence Berkeley National Laboratory, California, US (2015)
[2] China Association of Alcohol and Ether Clean Fuels and Clean Automobiles (CAAEFA) (December 2016)

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Methanex annual production capacity

	Year Built	000 tonnes
Louisiana, USA		
Geismar 1	2015	1,000
Geismar 2	2015	1,000
Medicine Hat, Alberta	1981	600
New Zealand		
Motunui 1 [1]	1985	950
Motunui 2 [1]	1985	950
Waitara Valley	1983	530
Trinidad		
Titan	2000	875
Atlas (63%)	2004	1,125
Egypt (50%)	2011	630
Chile I, IV	1988 / 2005	1,720
Total		9,380

USA

Canada

New Zealand

Trinidad

Egypt

Chile

[1] Potential total capacity for Motunui plants is 1.7 to 1.9 million tonnes depending on natural gas composition

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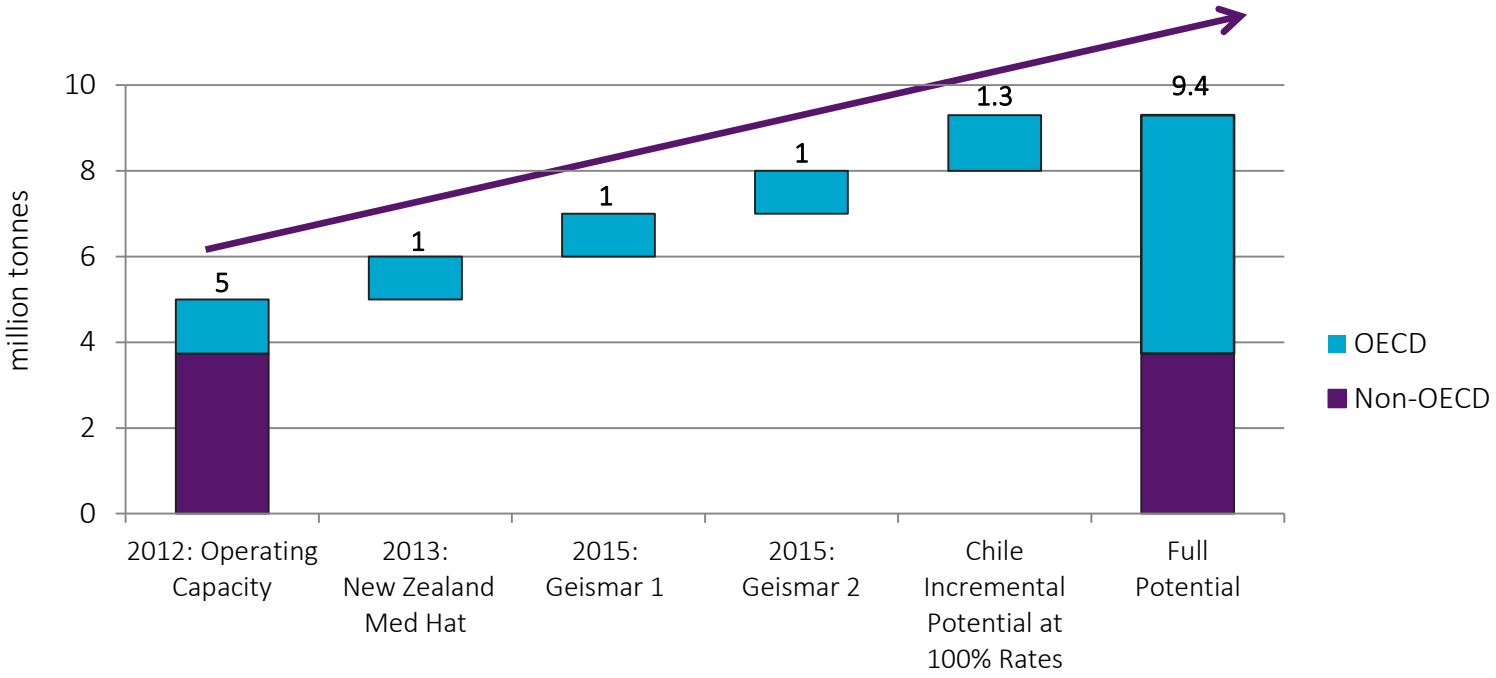
Methanex global supply chain

Methanex operating capacity growth 2012-2018



- Methanex added three million tonnes of operating capacity over three years
- New growth concentrated in OECD countries, reducing risk profile of asset portfolio
- Future potential from Chile with additional gas and modest capital investment

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Chile upside

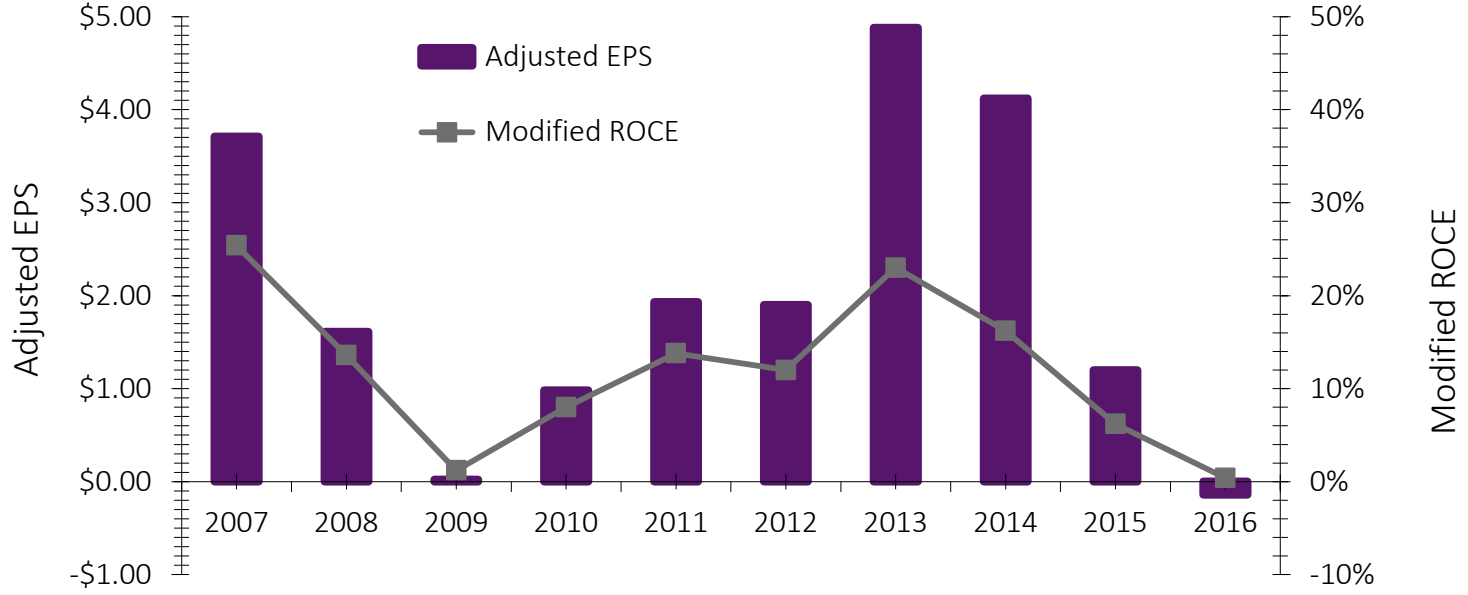
Potential for future two-plant operation in Chile, supported by:

- Chile gas
  - Ongoing unconventional gas exploration and development in Chile
  - US Geological survey estimates of regional gas resources increased to 8.3 tcf
  - Total contracted Chile gas supply expected to be sufficient to allow the Chile I facility to operate at approximately 60% of capacity of the 0.9 million tonne capacity through May 2018
  - During Q4 2016, signed a tolling agreement with YPF SA in Argentina through April 2018 , with first volumes of natural gas under this contract expected in Q1 2017

- Argentina gas
  - Argentina shale gas: the U.S. Energy Information Administration (“EIA”) estimates over 500 tcf in the country
  - The Argentina government has asserted a commitment to free market aimed at stimulating new investment in the upstream sector to support country development
  - We believe this is a positive development for Methanex to the extent we are able to contract gas on commercially acceptable terms

Financial results

- Average Modified ROCE of 12% from 2007-2016



1) Adjusted EPS = Adjusted net income per common share attributable to Methanex shareholders (excludes the after-tax mark-to-market impact of share-based compensation and the impact of certain items associated with specific identified events)
2) 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.
3) Adjusted net income, Adjusted EPS and Modified ROCE are non-GAAP measures - for more information regarding this non-GAAP measure, please see our 2015 annual MD&A

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Valuation considerations

- Methanex is trading at a discount to replacement cost

millions of tonnes[1]	Operating Capacity
USA (Geismar)	2.0
Canada (Medicine Hat)	0.6
New Zealand	2.4
Trinidad	2.0
Chile	0.9
Egypt	0.6
Total Capacity	8.5
Enterprise Value (billions) [2]	**5.7**
Enterprise Value/Tonne [3]	660

"What if Geismar and Medicine Hat were valued at estimated replacement cost [4] *of $1,100/tonne?"*

	Capacity	Enterprise Value	
	millions of tonnes	*$billions*	*$/tonne*
N. America Assets	2.6	$2.9	$1,100
Other Jurisdictions	5.9	$2.8	$470
Enterprise Value	**8.5**	**$5.7**	**$660**

"Implies market is paying no more than $470 per tonne for the remaining 5.9 million tonnes of operating capacity"

[1] Methanex ownership interest
[2] Based on share price of US$50 and net debt adjusted for 50% interest in Egypt Project and 63.1% interest in Atlas project
[3] Figures do not give any value for: idle Chile IV capacity, Waterfront Shipping and Marketing/Franchise
[4] Replacement cost of $1,100 based on recently published estimates from the OCI Natgasoline project (1.8 million MT plant) and G2X Lake Charles (1.4 million MT plant)

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Valuation considerations

- Strong cash generation capability at a range of methanol prices

	With Egypt & Trinidad Restrictions [2]	Full Operating Capacity [3]	Full Potential (Chile 100%)
Annual Operating Capacity[1] (millions of tonnes)	7.7	8.5	9.4
Average Realized Price ($/MT)	**Adjusted EBITDA Capability ($ millions)[4]**		
$300	650	775	825
$350	925	1,075	1,175
$400	1,200	1,400	1,500
	Free Cash Flow Capability ($ millions)[5]		
$300	375	475	500
$350	575	700	750
$400	800	925	1,000
	Free Cash Flow Yield Capability %[6]		
$300	8%	11%	11%
$350	13%	16%	17%
$400	18%	21%	22%

1 Methanex interest (63.1% Atlas, 50% Egypt)

2 Assumed operating rate 100% except Trinidad (85%), Egypt (50%), Chile (one 0.9 million MT plant only), and New Zealand (2.2 MM tonnes vs. 2.4 MM tonnes capacity). We cannot predict actual gas restrictions at these plants.

3 Includes full nameplate capacity except Chile IV (0.8 million MT plant).

4 Adjusted EBITDA reflects Methanex's proportionate ownership interest and assumes plants operate at full production rates except where indicated

5 After cash interest, maintenance capital of approximately $80-90 million, cash taxes, debt service and other cash payments

6 Based on 90 million weighted average diluted shares for Q4, 2016 and share price of US$50/share

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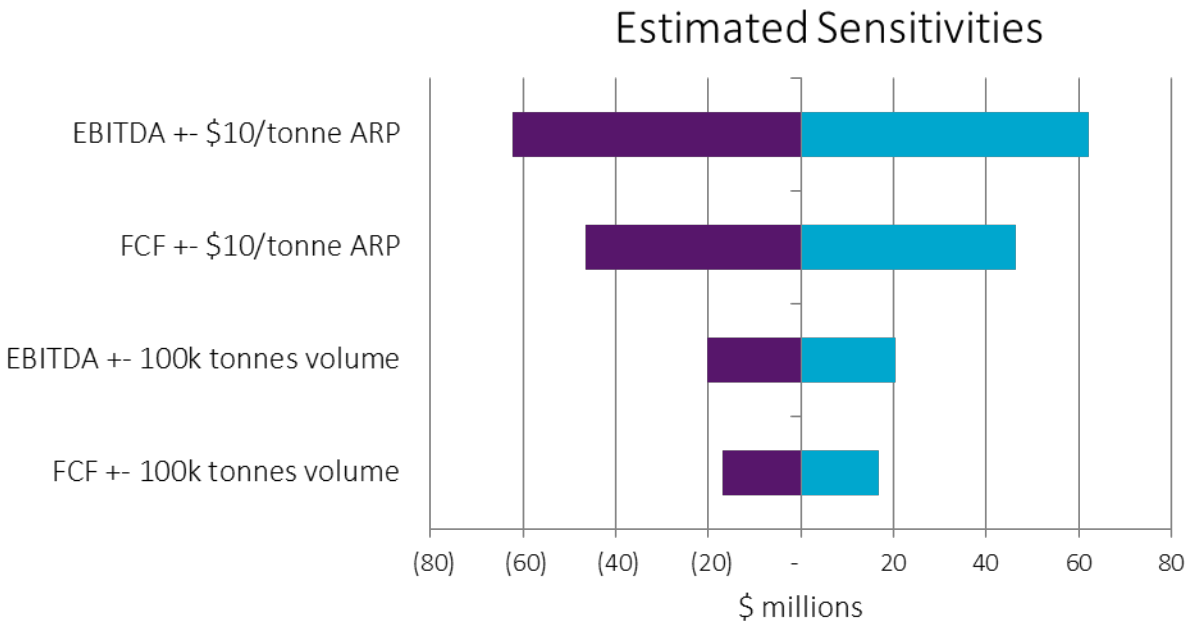
EBITDA and Free Cash Flow ("FCF") capability sensitivities



Sensitivities versus Base Case of:

- Price (ARP): $350/tonne
- Volume: 8.5 MM MT
- EBITDA Capability: $1.1 Billion
- FCF Capability: $700 million

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Liquidity & capex outlook

- Strong financial and liquidity position

Liquidity as at Q4-16

(US$ millions)

Cash (MX Share)	211
Undrawn Credit Line (Dec ’19)	300
	511

Capital Structure as at Q4-16[1]

(US$ millions)

Total Shareholders’ Equity	1,597
Total Debt	1,371
Total Debt/Capitalization	46%
Net Debt/Capitalization	42%
Net Debt/Enterprise Value[2]	21%

[1] Includes Methanex share of debt and cash for joint ventures
[2] Based on stock price of US$50/share

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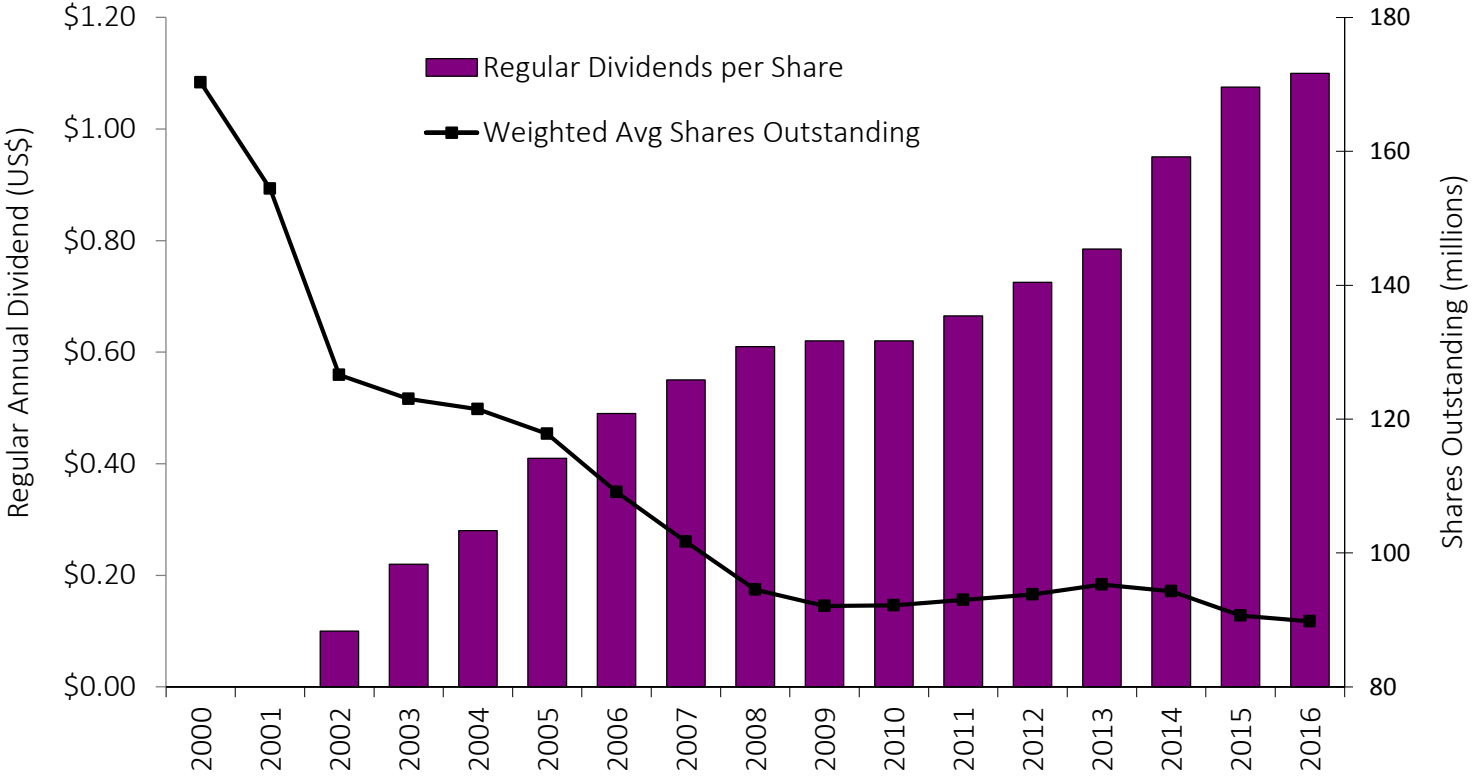
Balanced approach to capital allocation

Essential	Debt Service Maintenance	• $95 million annual interest expense • $25 million share of NCI debt payments • Next $350 MM bond matures end 2019 • $80 million annual maintenance capex
Priority	Meaningful, Sustainable, Growing Dividend	• Dividend $1.10/share annually and approximately $100 million per annum • Yield ~2.2% at US$50 share price • “Meaningful” range of 1.5%-2.5%
Discretionary	Growth Capital Share Buybacks	• Investment in value accretive projects with strict return targets • Committed to return excess cash via share buybacks

Returning cash to shareholders



- Dividend of $0.275/share per quarter (current yield ~2.2%[1])
- ~47% of shares bought back since 2000

[1] Assumes a share price of US$50/share

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Key Corporate Governance Highlights

Corporate Governance

- ✓ 11 of 12 Independent Directors
- ✓ Separate chair and CEO
- ✓ All Committee members are independent
- ✓ Strong risk and strategy oversight
- ✓ Board diversity policy; 25% women
- ✓ Active Board renewal process
- ✓ Annual Board, Committee and director evaluations
- ✓ Board orientation and education
- ✓ Code of business conduct
- ✓ In camera sessions at every Board and Committee meeting
- ✓ Diverse skills matrix including oil and gas and chemical industry experience, former CEOs, finance, capital projects, health and safety, government and public affairs

Director Compensation

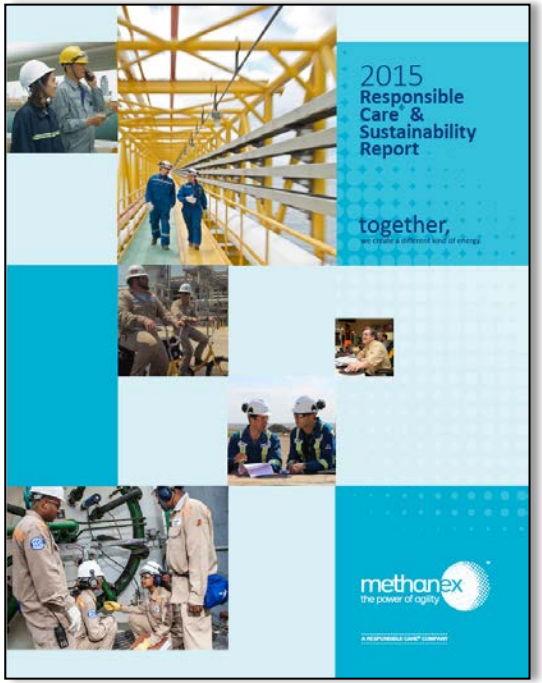
- ✓ Required director equity ownership of 2x total annual retainer
- ✓ Prohibition on hedging
- ✓ Not eligible for stock options

Shareholder Rights

- ✓ Annual election of directors
- ✓ Individual director elections
- ✓ Director majority voting policy
- ✓ Annual “Say-on-Pay”

Methanex is Committed to Responsible Care®

- At Methanex, Responsible Care® is the foundation of everything we do and a key element of our global culture:
  - » community safety
  - » employee health and safety
  - » environmental protection
  - » product stewardship
  - » social responsibility
- As an industry, we must continue to embrace and promote Responsible Care®



https://www.methanex.com/responsible-care/responsible-care-social-responsibility-reports

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Management alignment

- Executive shareholding requirements:
  - CEO - 5 times salary in Methanex shares or share units
  - Senior executives (5 members) – 3 times salary
  - Other senior management (~50 employees) – 1 times salary

- Short-term incentive linked to ROCE (return on capital employed)

- Long-term incentive targets:
  - Stock options and share appreciation rights
  - Performance share units
    - Payout ratio linked to total shareholder return

"…..Management does well when shareholders do well!"

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Summary

- Strong leverage to increase in methanol pricing
- Global leader with competitive assets
- Solid franchise value that is difficult to replicate
- Global marketing, supply chain and shipping network
- Strong cash generation capability & financial position
- Attractively valued with considerable upside potential
- Track record of delivering value creating growth projects
- Company growth potential
- Distributions / share buybacks

Well-Positioned for Increased Returns to Shareholders

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Forward-looking information warning

This Presentation, our Fourth Quarter 2016 Management's Discussion and Analysis ("MD&A") and comments made during the Fourth 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 Fourth Quarter 2016 Management's Discussion and Analysis.

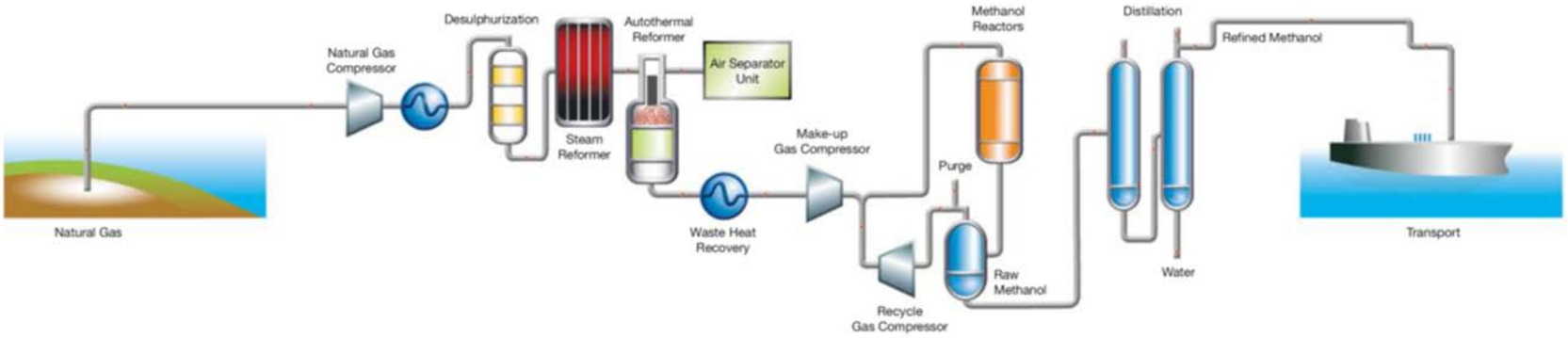
Having in mind these and other factors, investors and other readers are cautioned not to place undue reliance on forward-looking statements. They are not a substitute for the exercise of one's own due diligence and judgment. The outcomes implied by forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.

Q & A

Appendix

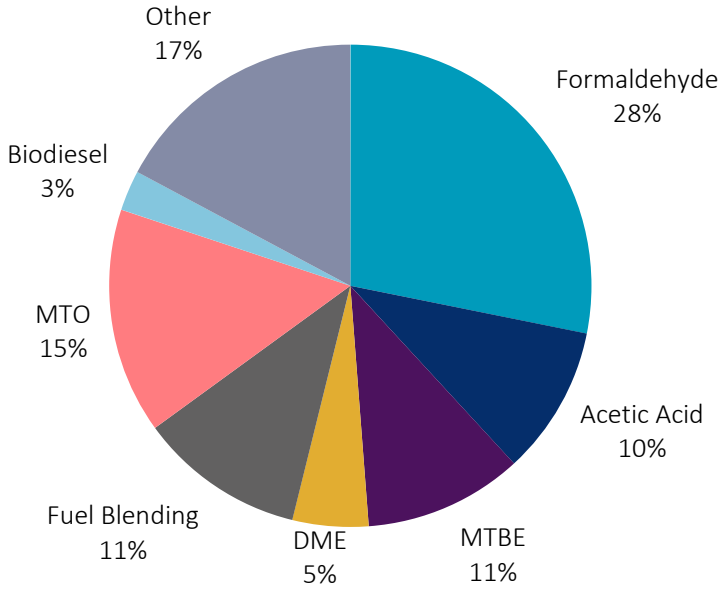
Methanol is…

- Primarily produced from natural gas

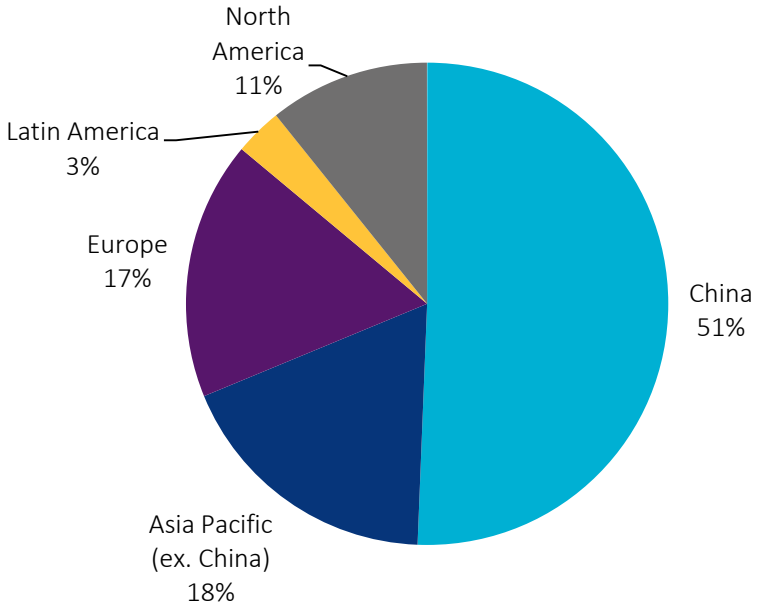


Methanol usage…

…by derivative



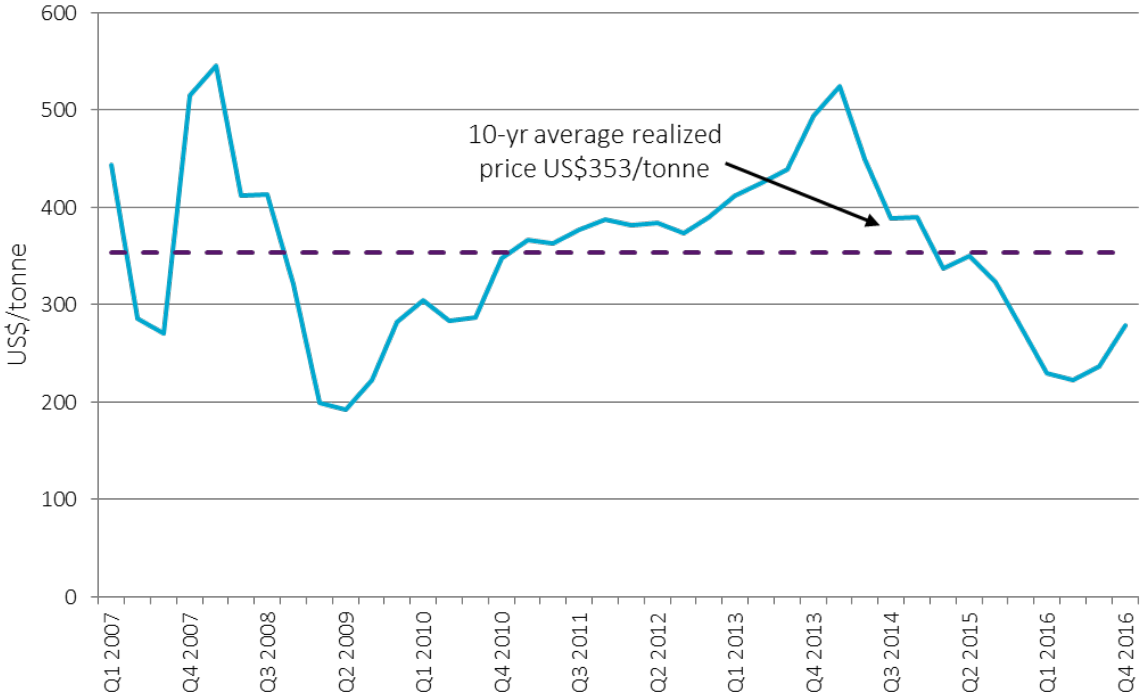
…by region



Source: Methanex – year ended December 31, 2016

Methanex realized pricing history

- Methanex posts reference prices monthly in Asia and North America and quarterly in Europe
- Realized pricing is lower than reference prices due to discounts specified in contracts



Source: Methanex, December 31, 2016

Methanol consumers

- Concentrated consumer base
  - 30% of global demand from top 20 consumers
- Main consumers are large, global chemical and China MTO companies:
  - Celanese, BP, Momentive, Skyford, Sabic, BASF, etc.
- Methanex supplies primarily traditional chemical derivative customers who value:
  - Security of supply
  - Global presence
  - Quality product

Benefits of methanol as a vehicle fuel

- Liquid fuel – can be blended with gasoline and ethanol in today's vehicles at minimal incremental costs.
- Clean burning fuel that produces fewer smog causing emissions when blended with (or substituted for) gasoline.
- High octane fuel which improves vehicle power and efficiency.
- A safe fuel which biodegrades quickly (compared to petroleum fuels) in case of a spill. The toxicity is similar to gasoline.
- No material technical hurdles either in terms of vehicle application or of distribution infrastructure to introduce methanol significantly into a marketplace.
- Can be produced from renewable feedstock.

For further information, see June 6, 2011 MIT study "The Future of Natural Gas" (section on Conversion to Liquid Fuels beginning page 125 of the report) at http://mitei.mit.edu/publications/reports-studies

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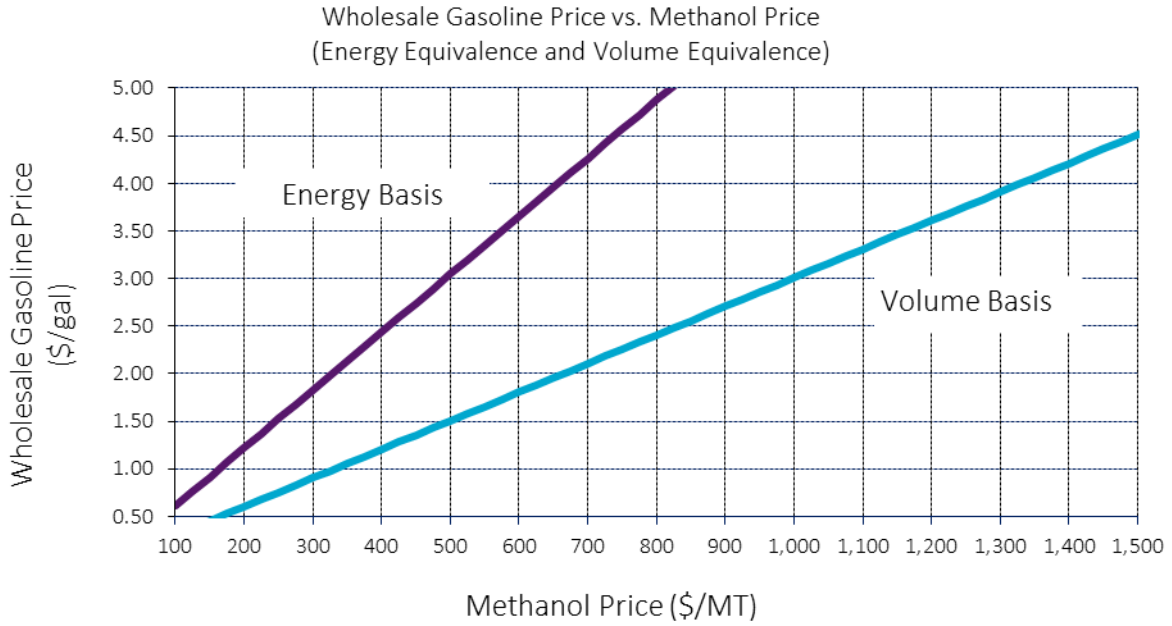
Methanol value proposition as a vehicle fuel

- Methanol is an affordable gasoline substitute in China, and can reduce overall emissions versus gasoline
- In dedicated methanol vehicles and at high blends (M85 and M100), methanol burns more efficiently than gasoline
- Most fuel blending in China is at low percentages and sold based on volume.



China (Nanjing) Wholesale Gasoline Price: $2.83/gallon January 31, 2016
USGC Conventional Regular Gasoline Price: $1.56/gallon January 31, 2016

* Net of 17% VAT. Sources: Oil and Gas China, US Department of Energy, Methanex

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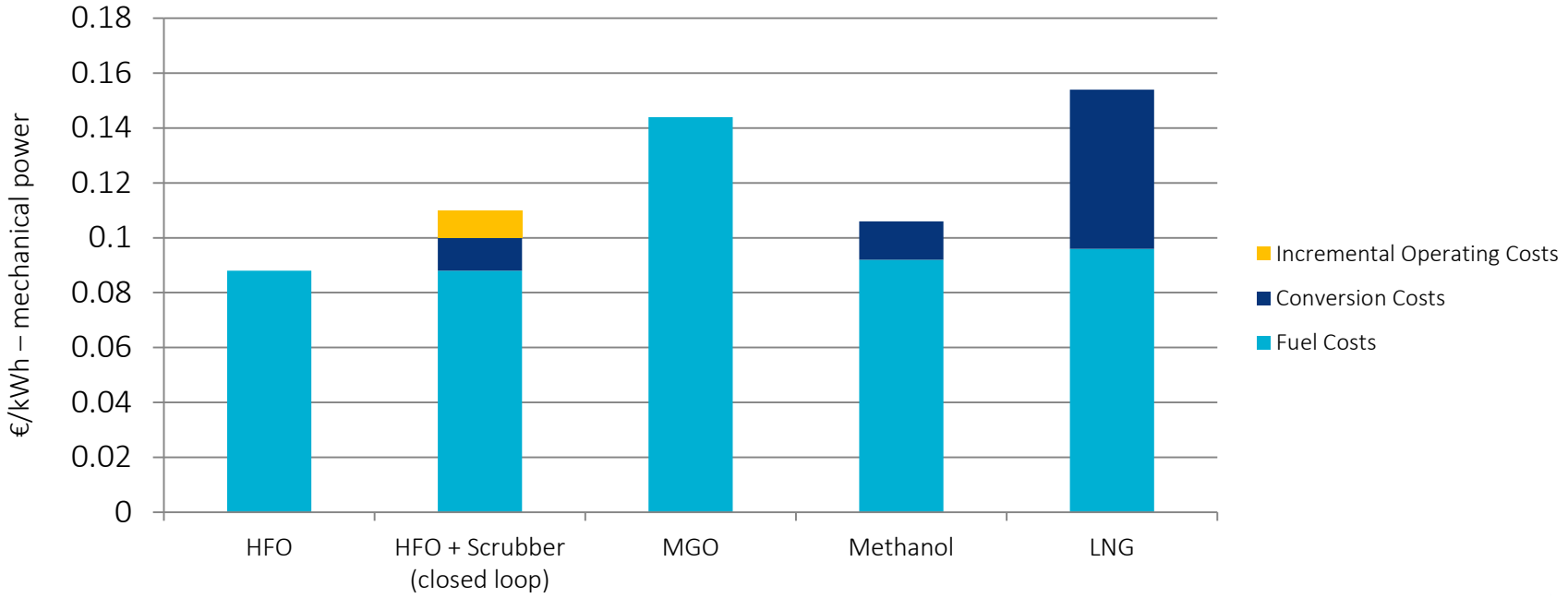
Methanol as a marine fuel

- Methanol (MEOH) achieves low emissions & bridge to lower CO_2 in the future (renewable/bio methanol)

Source: Stena lines
Emission reductions when compared to heavy fuel oil

Vessel Operating and Conversion Costs

Costs are low to convert and operate methanol-fueled vessels

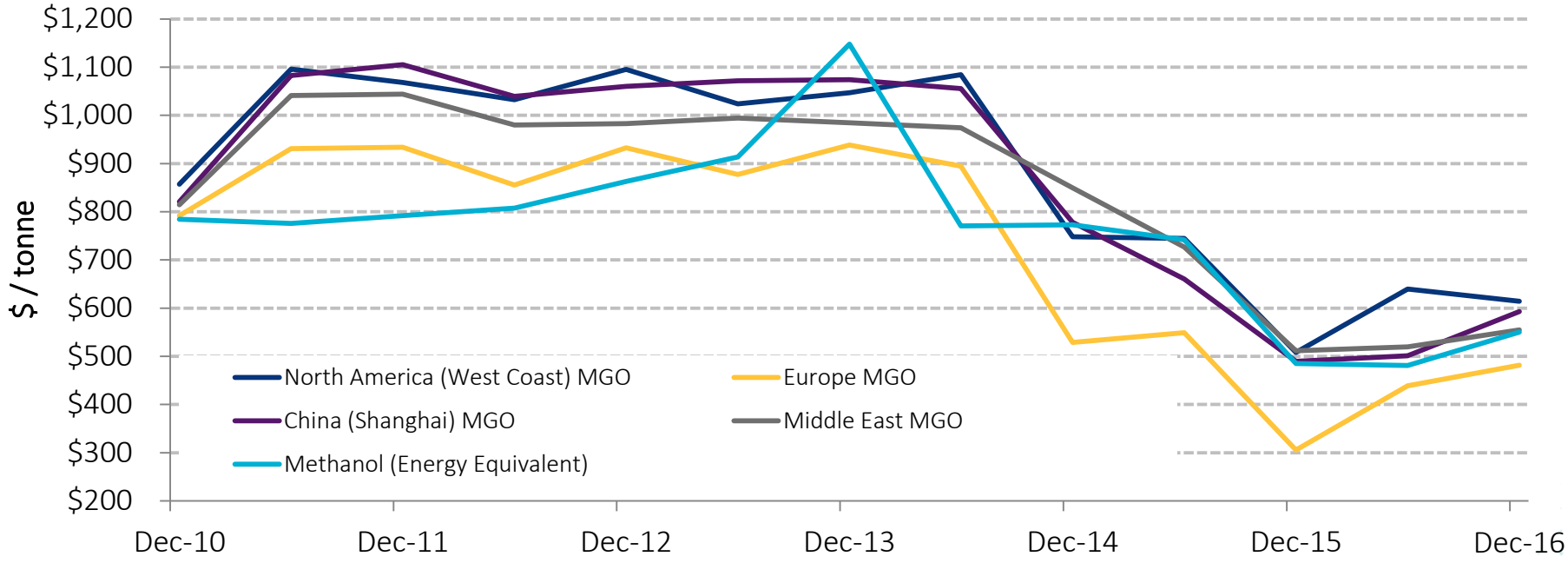


Source: Effship Project Summary Report, 2013

* Costs do not include infrastructure development. Fuel cost based on market price 2012. Conversion based on 5 year pay-back and 6% interest

Cost Competitiveness: Marine Fuel

Methanol is an economically viable alternative marine fuel over the cycle



Source: Platts (MGO) and IHS Chemical (Methanol). Average global spot methanol prices converted to MGO at energy equivalent at factor of 2.16

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Di-Methyl Ether (DME) market

- DME can be blended directly with LPG (propane) up to approximately 20% for cooking and heating applications.
- Future promising application for DME is as a diesel replacement:
  - Oberon Fuels Produces DME in the U.S.
  - ASTM Standard issued, California approval, qualified under U.S. Renewable Fuel Standard.
  - Volvo developing DME trucks. New York Sanitation Dept. announced DME Truck Trial in Jan 2017
  - Ford (Europe and Canada) executing separate projects to test DME in trucks and passenger vehicles.
- DME being studied for use as a solvent for bitumen recovery in Western Canada

DME as propane substitute

Volvo DME Truck

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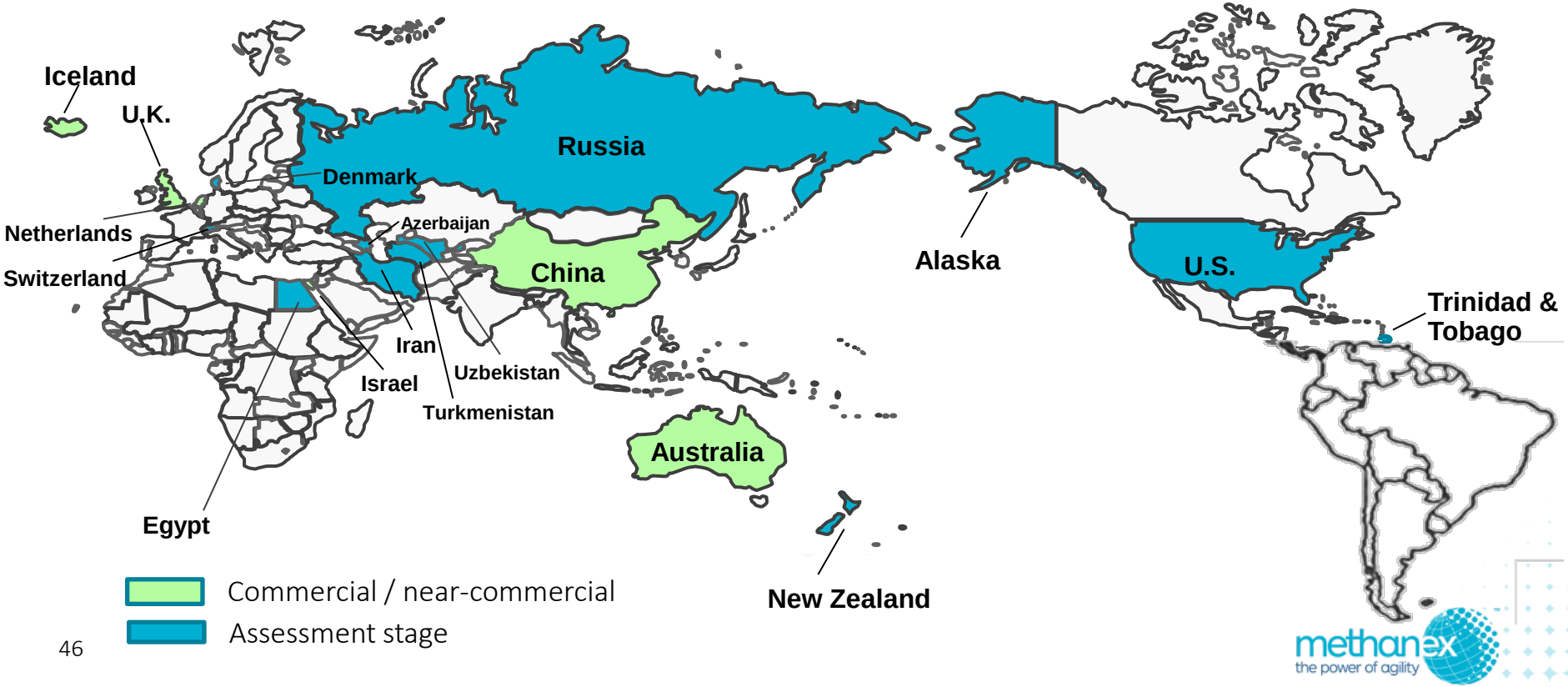
Methanol fuel blending growing outside China

- Several countries outside China in the assessment or near-commercial stage for fuel blending, however minimal demand is included in current forecasts from these regions



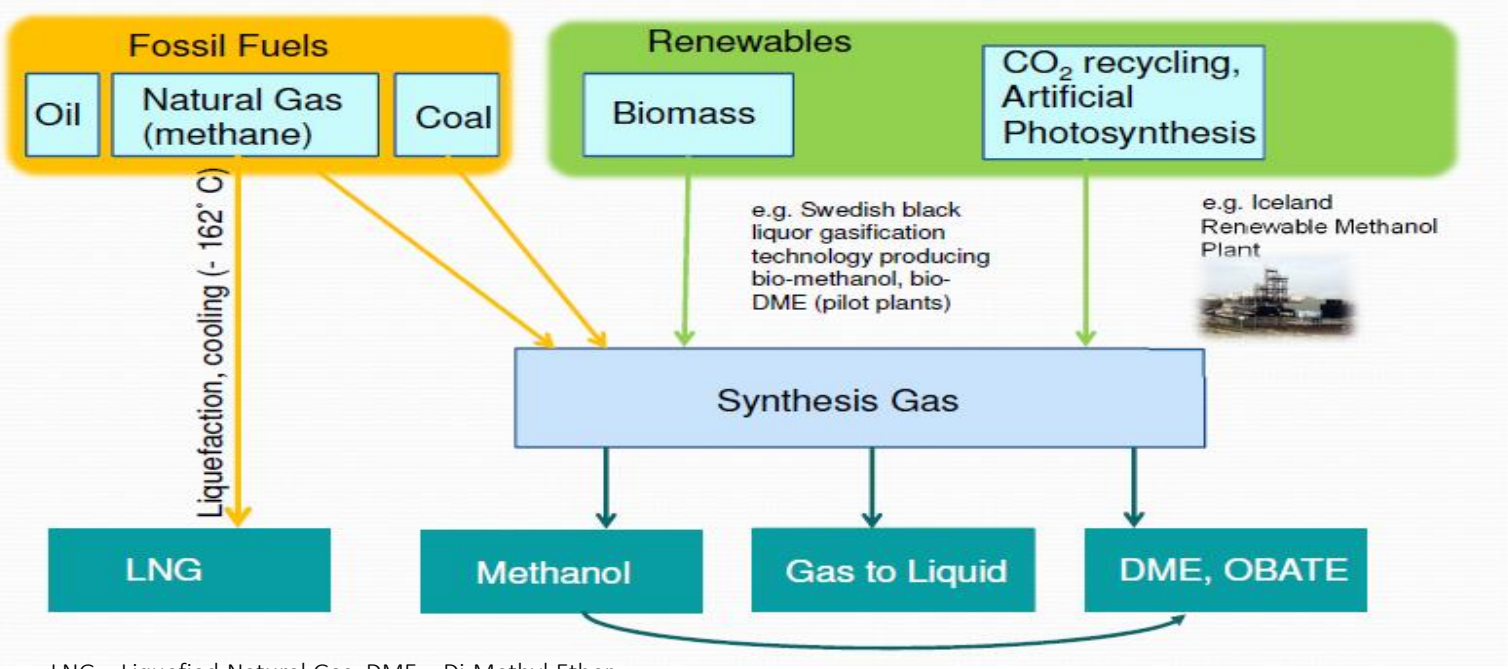
Methanol as a fuel outside China

- Europe is blending methanol into fuel today (up to 3% blending permitted), and in 2016, United Kingdom announced significant fuel tax incentive to support high blend methanol fuels
- Australia - Coogee demonstration project completed and regulations in place for methanol fuels
- New Zealand – In Dec. 2016, announced it would allow 3% methanol in updated fuel specifications (mid-2017)
- Israel – national standard approved for M15 in late 2016 (market potential ~450kta); testing higher blends. Vehicle partner - Fiat Chrysler
- North America - Open Fuel Standard Bill recently re-introduced in Congress
- Other countries studying or demonstrating fuel blending: Azerbaijan, Denmark, Russia, Uzbekistan, Iran, Netherlands, Switzerland, Egypt, Turkmenistan, Trinidad & Tobago, and Germany

Methanol / gasoline pump at Coogee plant site

Methanol as renewable energy

- Methanol and DME is produced from fossil fuels and renewables



LNG = Liquefied Natural Gas; DME = Di-Methyl Ether;
OBATE = On Board Alcohol to Ether (i.e. methanol converted to DME on board ships)

Carbon recycling international (CRI)

- Methanex became a CRI shareholder in 2013
- World's greenest methanol – technology captures CO_2 from industrial emissions and converts it into Renewable Methanol
- Sales into Europe gasoline blending market (M3)
- George Olah semi-commercial plant commissioned in 2011
- Completed a project to triple the capacity of the current plant to 4,000 MT, with future plans to add commercial scale plants
- In July '15 Chinese automaker Geely announced plans to invest $46 million over 3 years in CRI

CARBON RECYCLING INTERNATIONAL

CRI's GO Plant in Svartsengi, Iceland

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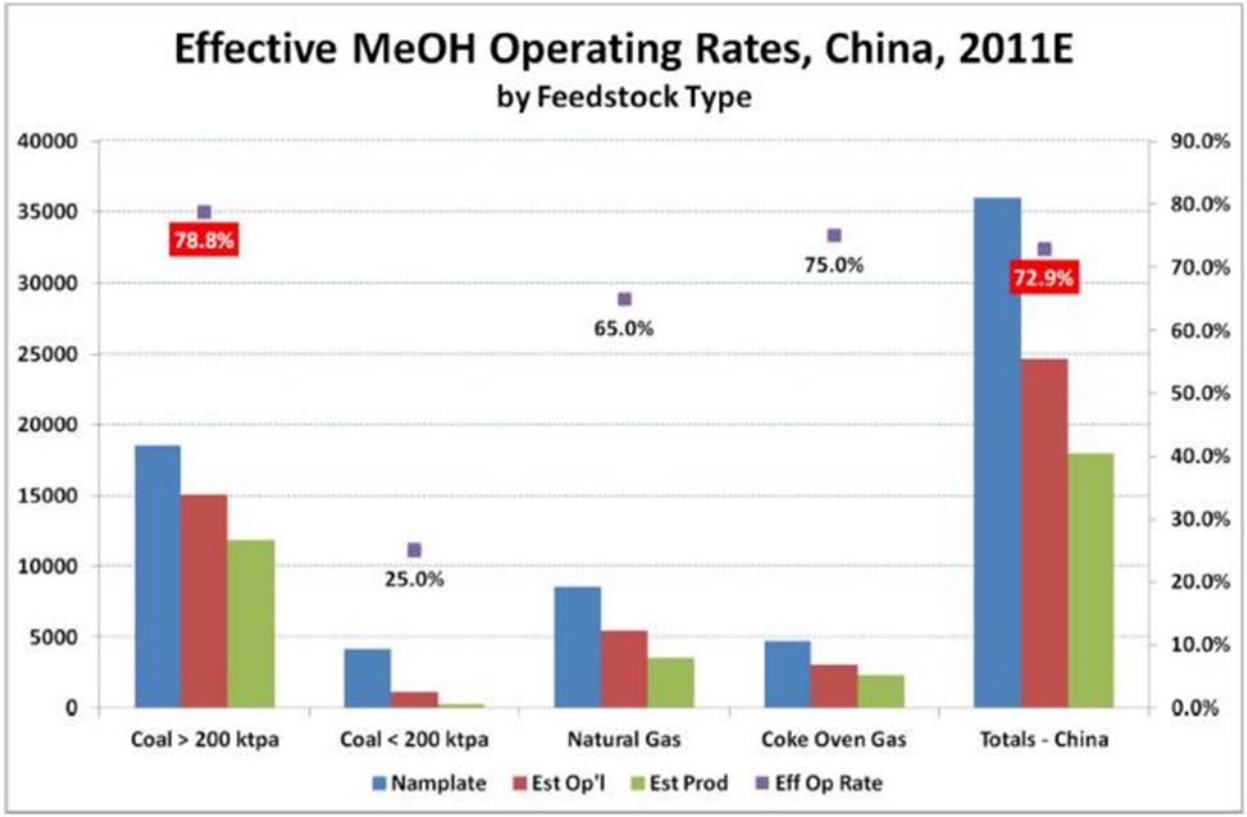
Operating rates in China

- China has operated at ~50% based on nameplate capacity; however, market is tighter than it appears and effective operating rate is ~73% (source: MMSA)
- Many plants are not operational due to various factors including: operational problems/maintenance, inability to access feedstock, high cost, swung to ammonia production, emission controls, low rates of coking coal operations



Source: Methanol Markets Services Asia (MMSA); capacity and production includes Methanol to Olefins

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Methanex cost structure

- Natural gas
  - Long-term gas contracts for approximately 2/3 of capacity have fixed base price and variable component linked to the price of methanol. This reduces methanol price exposure
  - Medicine Hat gas sourced from Alberta market. Gas price for approximately 90% of requirements hedged in 2016, 85% for 2017, 70% for 2018 & 2019, and 50% for 2020.
  - Geismar 2 exposed to US spot market; gas price for 40% of gas requirements hedged to 2025
- Freight
  - Fleet of 27 leased and owned time charter vessels supplemented with shorter term COA vessels and spot vessel shipments
  - Integrated supply chain allows benefit of back-haul shipments
  - Network of leased and owned terminals worldwide
- Fixed Manufacturing and G&A costs
  - Primarily people costs (approx. 1300 employees)

Representative Operating Cost Distribution

* Assumes average realized methanol price of approx. US$400/tonne (gas costs vary with methanol pricing).

Leverage – rating agency perspective

Pro Forma Rating Agency Credit Rations

(US$ billions unless indicated)

Total Debt [1]

Debt (Q4-16)	1.4
Capital and Operating Leases [2]	0.7
Adjusted Debt (including leases)	2.1

Adjusted Debt/EBITDA

ARP ($/tonne)	EBITDA ($millions) [3]	Debt/EBITDA
300	725	2.9
350	1,000	2.1
400	1,275	1.6

- Leverage target = Investment Grade
  - Preserves financial flexibility
  - Lowers cost of debt
  - Access to longer-term bond market, shipping market, etc.
  - Higher credit capacity to hedge gas exposures, etc.
- Moody's Baa3, S&P BB+, Fitch BBB-
  - ~3.0x Debt/EBITDA is long-term measure
  - Ratio typically calculated over a cycle
- $300 million undrawn credit facility
  - Backstop liquidity

[1] Includes Methanex proportionate share of debt & cash

[2] Approx. adjustment for capital and operating leases

[3] "With Trinidad and Egypt Gas Restrictions" EBITDA scenario from earlier slide, plus $75 million adjustment reflecting approximate lease portion of COG

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Foreign exchange sensitivity

- US dollar based business
- Majority of revenues in US dollars (EU net exposure hedged)
- Natural gas and freight costs in US dollars
- Approximately $150 million in local currency costs (not actively hedged)
- Approximately $100 million in non-US dollar working capital assets

"A strong US dollar benefits Methanex"

Thank you

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