

NEWS RELEASE



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For immediate release

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METHANEX REPORTS STRONGER FOURTH QUARTER 2019 RESULTS AND FULL YEAR RECORD PRODUCTION VOLUME

VANCOUVER, BRITISH COLUMBIA - For the fourth quarter of 2019, Methanex (TSX:MX) (NASDAQ:MEOH) reported net income attributable to Methanex shareholders of \$9 million (\$0.12 net income per common share on a diluted basis) compared to a net loss of \$10 million (\$0.21 net loss per common share on a diluted basis) in the third quarter of 2019. Adjusted EBITDA for the fourth quarter of 2019 was \$136 million and Adjusted net income was \$10 million (\$0.13 Adjusted net income per common share). This compares with Adjusted EBITDA of \$90 million and an Adjusted net loss of \$21 million (\$0.27 Adjusted net loss per common share) for the third quarter of 2019.

Adjusted EBITDA for the fourth quarter includes an insurance recovery associated with the production outage experienced in Egypt from April to August 2019 of \$25 million, reflecting our 50% share in the Egypt facility. The insurance recovery, net of tax, of \$18 million is also included in net income attributable to Methanex shareholders and Adjusted net income.

For the year ended December 31, 2019, Methanex reported net income attributable to Methanex shareholders of \$88 million (\$1.01 net income per common shares on a diluted basis), Adjusted EBITDA of \$566 million and Adjusted net income of \$71 million (\$0.93 Adjusted net income per common share). This compares with net income attributable to Methanex shareholders of \$569 million (\$6.92 net income per common share on a diluted basis), Adjusted EBITDA of \$1,071 million and Adjusted net income of \$556 million (\$6.86 Adjusted net income per common share) for the year ended December 31, 2018.

John Floren, President and CEO of Methanex, commented, "The higher Adjusted EBITDA we recorded in the fourth quarter of 2019 compared to the third quarter reflects higher sales volume of Methanex-produced methanol and improved costs, as well as the insurance recovery associated with our Egypt facility, which were partially offset by a decline in our average realized price. Our average realized price declined by \$16 per tonne to \$256 dollars per tonne in the fourth quarter of 2019 from \$272 dollars per tonne that we realized in the third quarter.

"For the full year in 2019, we achieved record production results which was overshadowed by the impact of lower average realized pricing compared to 2018. We were very pleased to achieve production of 7.6 million tonnes of methanol in 2019, compared to 7.2 million tonnes in 2018, reflecting the significant improvement we have seen in our Chile production capability with both plants operating at high rates. These results reflect the investments we have made over the past few years to substantially increase our production capability and enhance our ability to service our customers."

"Also in 2019, we began the construction of our Geismar 3 project, a 1.8 million tonne methanol plant located adjacent to our existing facilities. We expect this project will deliver outstanding returns based on its substantial capital and operating cost advantages. We also continue to make progress on the debottlenecking opportunities at our existing Geismar 1 and Geismar 2 facilities to increase production by approximately 10% over the next couple of years."

"We returned \$161 million to shareholders in 2019, including \$27 million in the fourth quarter through our regular quarterly dividend. We have \$417 million of cash on the balance sheet at the end of the fourth quarter. We continue to prudently manage our business by maintaining a strong balance sheet and sufficient liquidity to navigate the cyclical nature of our industry."

"Our balanced approach to capital allocation remains unchanged. We believe we are well positioned to meet our financial commitments, execute our growth projects in Louisiana, 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 fourth quarter of 2019. It is not a complete source of information for readers and is not in any way a substitute for reading the fourth quarter 2019 Management's Discussion and Analysis ("MD&A") dated January 29, 2020 and the unaudited condensed consolidated interim financial statements for the period ended December 31, 2019, 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 period ended December 31, 2019 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			Years Ended	
	Dec 31 2019	Sep 30 2019	Dec 31 2018	Dec 31 2019	Dec 31 2018
<i>(\$ millions except per share amounts and where noted)</i>					
Production (thousands of tonnes) (attributable to Methanex shareholders)	2,124	1,837	1,885	7,589	7,211
Sales volume (thousands of tonnes)					
Methanex-produced methanol	2,056	1,965	1,599	7,611	7,002
Purchased methanol	623	680	908	2,492	3,032
Commission sales	307	179	245	1,031	1,174
Total sales volume ¹	2,986	2,824	2,752	11,134	11,208
Methanex average non-discounted posted price (\$ per tonne) ²	307	330	487	353	481
Average realized price (\$ per tonne) ³	256	272	401	295	405
Revenue	659	650	977	2,784	3,932
Adjusted revenue	690	723	1,008	2,988	4,033
Adjusted EBITDA	136	90	197	566	1,071
Cash flows from operating activities	114	71	218	515	980
Adjusted net income (loss)	10	(21)	90	71	556
Net income (loss) (attributable to Methanex shareholders)	9	(10)	161	88	569
Adjusted net income (loss) per common share	0.13	(0.27)	1.15	0.93	6.86
Basic net income (loss) per common share	0.12	(0.13)	2.07	1.15	7.07
Diluted net income (loss) per common share	0.12	(0.21)	1.68	1.01	6.92
Common share information (millions of shares)					
Weighted average number of common shares	76	76	78	77	80
Diluted weighted average number of common shares	76	76	78	77	81
Number of common shares outstanding, end of period	76	76	77	76	77

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"). No Tolling Volume has been produced in 2019. There was no Tolling Volume in the fourth quarter of 2018 and 108,000 MT of Tolling Volume for the year ended December 31, 2018.

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

(\$ millions except number of shares and per share amounts)	Three Months Ended			Years Ended	
	Dec 31 2019	Sep 30 2019	Dec 31 2018	Dec 31 2019	Dec 31 2018
Net income (loss) (attributable to Methanex shareholders)	\$ 9	\$ (10)	\$ 161	\$ 88	\$ 569
Mark-to-market impact of share-based compensation, net of tax	1	(11)	(71)	(17)	(13)
Adjusted net income (loss) ¹	\$ 10	\$ (21)	\$ 90	\$ 71	\$ 556
Diluted weighted average shares outstanding (millions)	76	76	78	77	81
Adjusted net income (loss) per common share ¹	\$ 0.13	\$ (0.27)	\$ 1.15	\$ 0.93	\$ 6.86

- We recorded net income attributable to Methanex shareholders of \$9 million during the fourth quarter of 2019 compared to a net loss of \$10 million in the third quarter of 2019. Within net income attributable to Methanex shareholders we have recorded an insurance recovery of \$18 million (Methanex share, net of tax) in the fourth quarter related to the Egypt outage experienced in the second and third quarters of the year. Excluding the insurance recovery, the fourth quarter result was a net loss attributable to Methanex shareholders of \$9 million compared to a net loss of \$10 million in the third quarter of 2019. A decrease in our average realized methanol price in the fourth quarter was largely offset by higher sales of Methanex-produced methanol, improved costs compared to the third quarter, and the change relating to mark-to-market share-based compensation.
- We recorded Adjusted EBITDA of \$136 million for the fourth quarter of 2019 compared with \$90 million for the third quarter of 2019. The increase in Adjusted EBITDA for the fourth quarter of 2019 compared to the third quarter of 2019 includes a \$25 million (Methanex share) insurance recovery related to the Egypt outage, with the remaining increase primarily due to higher sales of Methanex-produced methanol and improved costs compared to the third quarter, offsetting a lower average realized price. Adjusted EBITDA for 2019 includes the adoption of IFRS 16 which increased Adjusted EBITDA for the fourth quarter of 2019 by \$31 million, the third quarter of 2019 by \$26 million and the year ended December 31, 2019 by \$112 million. The 2018 comparative periods have not been adjusted for IFRS 16.
- Adjusted net income was \$10 million for the fourth quarter of 2019 compared to Adjusted net loss of \$21 million for the third quarter of 2019. The increase in Adjusted net income includes the insurance recovery of \$18 million (Methanex share, net of tax) related to the Egypt outage. The remaining change is primarily due to higher sales of Methanex-produced methanol and improved costs compared to the third quarter, offsetting a lower average realized price.
- Total sales volume for the fourth quarter of 2019 was 2,986,000 tonnes compared with 2,824,000 tonnes for the third quarter of 2019. Sales of Methanex-produced methanol were 2,056,000 tonnes in the fourth quarter of 2019 compared with 1,965,000 tonnes in the third quarter of 2019. In the fourth quarter of 2019, production exceeded sales of Methanex-produced methanol, resulting in a 68,000 tonne build of produced methanol inventory. This compares to the third quarter of 2019, when sales of Methanex-produced methanol exceeded production by 128,000 tonnes. An inventory build or draw is a result of the timing of produced and purchased methanol volume in and out of inventory.
- Production for the fourth quarter of 2019 increased to 2,124,000 tonnes, a new quarterly record for Methanex. This compares with 1,837,000 tonnes for the third quarter of 2019. The increase in production was primarily driven by our Chile facilities where both plants ran at higher rates and our production for the quarter reached its highest level since the second quarter of 2007, and by Egypt which returned to full operating rates following the outage experienced in the second and third quarters.
- During the fourth quarter we reached an agreement for natural gas supply to our Chile facilities that will underpin approximately 25% of a two-plant operation through to the end of 2025. 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.
- We are currently constructing a new 1.8 million tonne methanol plant in Geismar, Louisiana adjacent to our Geismar 1 and Geismar 2 facilities. The cost of the Geismar 3 project is expected to be between \$1.3 to \$1.4 billion, excluding capitalized interest, with operations targeted for the second half of 2022. Capitalized costs of approximately \$152 million, excluding capitalized interest of \$4 million, have been incurred for the project, life to date.

- During the fourth quarter of 2019 we paid a \$0.36 per common share quarterly dividend to shareholders for a total of \$27 million.
- Total distributions to shareholders in 2019 were \$161 million including quarterly dividends and share repurchases. In 2019 we repurchased 1,069,893 common shares under a normal course issuer bid. No shares were repurchased in the fourth quarter of 2019.

PRODUCTION HIGHLIGHTS

<i>(thousands of tonnes)</i>	Annual Operating Capacity¹	2019 Production	2018 Production	Q4 2019 Production	Q3 2019 Production	Q4 2018 Production
New Zealand ²	2,200	1,865	1,606	513	469	389
USA (Geismar)	2,000	1,929	2,078	480	514	527
Trinidad (Methanex interest) ³	2,000	1,743	1,702	456	474	448
Chile ⁴	1,720	1,050	612	373	146	206
Egypt (50% interest)	630	392	613	151	85	155
Canada (Medicine Hat)	600	610	600	151	149	160
	9,150	7,589	7,211	2,124	1,837	1,885

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. 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. The New Zealand facilities are capable of producing up to 2.4 million tonnes annually, depending on natural gas composition and availability. We have revised the Annual Operating Capacity from 2.4 million tonnes to 2.2 million tonnes in the current quarter based on the current outlook for available high CO₂ natural gas.

³ The operating capacity of Trinidad is made up of the Titan (100% interest) and Atlas (63.1% interest) facilities.

⁴ The operating capacity of our Chile I and IV facilities is 1.7 million tonnes annually assuming access to natural gas feedstock. For 2018, our operating capacity in Chile was 0.9 million tonnes. In the fourth quarter of 2018 we restarted our 0.8 million tonne Chile IV plant that had been idle since 2007.

Key production and operational highlights during the fourth quarter include:

- New Zealand produced 513,000 tonnes compared with 469,000 tonnes in the third quarter of 2019. We achieved higher production in the fourth quarter of 2019 compared to the third quarter of 2019 as we received higher gas deliveries. In December 2019 we took the Waitara Valley plant offline to complete unplanned repairs to be completed during the first quarter of 2020. The plant remains offline today.
- Geismar produced 480,000 tonnes during the fourth quarter of 2019 compared to 514,000 tonnes during the third quarter of 2019. Production in the fourth quarter is lower than the third quarter as Geismar 2 experienced unplanned outages early in the quarter resulting in lost production of approximately 45,000 tonnes.
- Trinidad produced 456,000 tonnes (Methanex interest) compared with 474,000 tonnes in the third quarter of 2019. Production in Trinidad is lower in the fourth quarter of 2019 compared to the third quarter of 2019 as production in the fourth quarter was impacted by unplanned outages at both plants. For Trinidad, we continue to guide to approximately 85% operating rates. During the fourth quarter we reached an interim agreement with the National Gas Company of Trinidad and Tobago Limited ("NGC") for the supply of natural gas to our Titan methanol facility for a one month period to January 31, 2020. We have recently extended the term of the interim agreement to April 1, 2020 to continue operations at Titan while continuing negotiations with NGC for a longer-term natural gas supply agreement.

- The Chile facilities produced 373,000 tonnes during the fourth quarter of 2019 compared to 146,000 tonnes during the third quarter of 2019. Production for the fourth quarter of 2019 is higher compared to the third quarter of 2019 as both Chile plants ran at high rates. In the quarter, we achieved our highest quarterly production from Chile since the second quarter of 2007. Only the Chile IV plant operated during the third quarter due to Chile I completing a refurbishment timed to coincide with lower gas availability in Chile.
- The Egypt facility produced 302,000 tonnes (Methanex interest - 151,000 tonnes) in the fourth quarter of 2019 compared with 170,000 tonnes (Methanex interest - 85,000 tonnes) in the third quarter of 2019. The Egypt facility ran at full rates through the fourth quarter of 2019 subsequent to the plant's restart in August.
- Medicine Hat produced 151,000 tonnes during the fourth quarter of 2019 compared to 149,000 tonnes during the third quarter of 2019.

CONFERENCE CALL

A conference call is scheduled for January 30, 2020 at 11:00 am ET (8:00 am PT) to review these fourth 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 February 14, 2020 at (905) 694-9451, or toll free at (800) 408-3053. The passcode for the playback version is 9165317#.

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 fourth quarter 2019 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 fourth quarter 2019 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 (loss), Adjusted net income (loss) per common share, Adjusted revenue and operating income (loss) 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 15 of the Company's MD&A for the period ended December 31, 2019 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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