

NEWS RELEASE



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For immediate release

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METHANEX REPORTS FOURTH QUARTER 2018 RESULTS

VANCOUVER, BRITISH COLUMBIA - For the fourth quarter of 2018, Methanex (TSX:MX) (NASDAQ:MEOH) reported net income attributable to Methanex shareholders of \$161 million (\$1.68 per common share on a diluted basis) compared to net income of \$128 million (\$1.61 per common share on a diluted basis) in the third quarter of 2018. Adjusted EBITDA for the fourth quarter of 2018 was \$197 million and Adjusted net income was \$90 million (\$1.15 per common share). This compares with Adjusted EBITDA of \$293 million and Adjusted net income of \$152 million (\$1.92 per common share) for the third quarter of 2018.

For the year ended December 31, 2018, Methanex reported net income attributable to Methanex shareholders of \$569 million (\$6.92 net income per common shares on a diluted basis), Adjusted EBITDA of \$1,071 million and Adjusted net income of \$556 million (\$6.86 net income per common share). This compares with net income attributable to Methanex shareholders of \$316 million (\$3.64 net income per common share on a diluted basis), Adjusted EBITDA of \$838 million and Adjusted net income of \$409 million (\$4.71 Adjusted net income per common share) for the year ended December 31, 2017.

John Floren, President and CEO of Methanex, commented, "2018 was an excellent year and we are pleased to have achieved record production and sales volume and the highest Adjusted EBITDA in the Company's history, surpassing the records we set in 2017. These results reflect the investments we have made over the past few years to increase our production capability and significantly improve our earnings profile and cash generation capability. In 2018, we also returned \$550 million to shareholders through our regular dividend and share repurchases of 6.6 million common shares to complete the normal course issuer bid that started on March 13, 2018."

"The volatility that we experienced in the fourth quarter resulted in downward pressure on our earnings on a quarter-over-quarter basis that is less impactful over the longer-term. Our fourth quarter Adjusted EBITDA was impacted by lower average realized methanol prices, lower sales of Methanex-produced methanol and higher costs compared to the third quarter of 2018. Our average realized price decreased to \$401 per tonne in the fourth quarter compared to \$413 per tonne in the third quarter. Methanol pricing declined in the fourth quarter due to concerns around global economic growth, unresolved trade tensions and a steep decline in oil prices which reduced affordability for methanol in energy-related applications. Sales of Methanex-produced methanol were lower compared to the third quarter of 2018 due to the timing of inventory flows and because we increased our inventory levels in line with business growth. Our costs were higher in the fourth quarter compared to the third quarter as a result of higher unabsorbed costs at our manufacturing sites, higher logistics costs and higher selling and administrative expenses. As well, in a declining methanol price environment, our margins tend to be lower than in a stable price environment due to inventory timing differences."

"The improvements we have made in our business enable us to generate strong earnings and cash flow at a wide range of methanol prices. We have \$256 million of cash on hand at the end of the fourth 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 fourth quarter of 2018. It is not a complete source of information for readers and is not in any way a substitute for reading the fourth quarter 2018 Management's Discussion and Analysis ("MD&A") dated January 30, 2019 and the unaudited condensed consolidated interim financial statements for the three and twelve month periods ended December 31, 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 twelve month periods ended December 31, 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			Years Ended	
	Dec 31 2018	Sep 30 2018	Dec 31 2017	Dec 31 2018	Dec 31 2017
<i>(\$ millions except per share amounts and where noted)</i>					
Production (thousands of tonnes) (attributable to Methanex shareholders)	1,885	1,735	1,942	7,211	7,187
Sales volume (thousands of tonnes)					
Methanex-produced methanol	1,599	1,790	1,930	7,002	7,229
Purchased methanol	908	802	633	3,032	2,289
Commission sales	245	279	289	1,174	1,151
Total sales volume ¹	2,752	2,871	2,852	11,208	10,669
Methanex average non-discounted posted price (\$ per tonne) ²	487	486	403	481	396
Average realized price (\$ per tonne) ³	401	413	350	405	337
Revenue	977	1,044	861	3,932	3,061
Adjusted revenue	1,008	1,067	904	4,033	3,227
Adjusted EBITDA	197	293	254	1,071	838
Cash flows from operating activities	218	228	206	980	780
Adjusted net income	90	152	143	556	409
Net income (attributable to Methanex shareholders)	161	128	68	569	316
Adjusted net income per common share	1.15	1.92	1.70	6.86	4.71
Basic net income per common share	2.07	1.62	0.81	7.07	3.64
Diluted net income per common share	1.68	1.61	0.81	6.92	3.64
Common share information (millions of shares)					
Weighted average number of common shares	78	79	84	80	87
Diluted weighted average number of common shares	78	79	84	81	87
Number of common shares outstanding, end of period	77	78	84	77	84

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 no Tolling Volume produced in the fourth quarter of 2018 and 20,000 MT in the third quarter of 2018. There was no Tolling Volume in the fourth quarter of 2017. A total of 108,000 MT Tolling Volume was produced in 2018, and none in 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:

(\$ millions except number of shares and per share amounts)	Three Months Ended			Years Ended	
	Dec 31 2018	Sep 30 2018	Dec 31 2017	Dec 31 2018	Dec 31 2017
Net income (attributable to Methanex shareholders)	\$ 161	\$ 128	\$ 68	\$ 569	\$ 316
U.S. tax reform charge	—	—	37	—	37
Mark-to-market impact of share-based compensation, net of tax	(71)	24	38	(13)	56
Adjusted net income	\$ 90	\$ 152	\$ 143	\$ 556	\$ 409
Diluted weighted average shares outstanding (millions)	78	79	84	81	87
Adjusted net income per common share	\$ 1.15	\$ 1.92	\$ 1.70	\$ 6.86	\$ 4.71

- We recorded net income attributable to Methanex shareholders of \$161 million during the fourth quarter of 2018 compared to net income of \$128 million in the third quarter of 2018. The increase in earnings is primarily due to the change in the mark-to-market impact of share-based compensation, offset by a decrease in sales of Methanex-produced methanol and a decrease in our average realized methanol price during the fourth quarter.
- We recorded Adjusted EBITDA of \$197 million for the fourth quarter of 2018 compared with \$293 million for the third quarter of 2018. Adjusted net income was \$90 million for the fourth quarter of 2018 compared to Adjusted net income of \$152 million for the third quarter of 2018. The decrease in Adjusted EBITDA and Adjusted net income is primarily due to a decrease in sales of Methanex-produced methanol, an increase in costs and a decrease in average realized price to \$401 per tonne for the fourth quarter of 2018 from \$413 per tonne for the third quarter of 2018.
- Production for the fourth quarter of 2018 was 1,885,000 tonnes compared with 1,735,000 tonnes for the third quarter of 2018.
- Total sales volume for the fourth quarter of 2018 was 2,752,000 tonnes compared with 2,871,000 tonnes for the third quarter of 2018. Sales of Methanex-produced methanol were 1,599,000 tonnes in the fourth quarter of 2018 compared with 1,790,000 tonnes in the third quarter of 2018. In the fourth quarter of 2018, production exceeded sales of Methanex-produced methanol, resulting in a 286,000 tonne build of produced methanol inventory. This inventory build primarily resulted due to timing with significantly higher production levels in the last-half of the fourth quarter compared to the last-half of the third quarter 2018. This timing of production within the quarter has an impact on the sales of produced methanol for the quarter as it generally takes between 30 and 60 days to sell the methanol we produce.
- Total cash costs per tonne in the fourth quarter were higher than in the third quarter. In the fourth quarter, we incurred higher unabsorbed costs at our manufacturing sites, higher logistics costs primarily due to increased bunker fuel prices and higher selling, general and administrative expenses that included cloud-based computing system implementation costs that are required to be expensed. As well, in a declining price environment, our margins tend to be lower than in a stable price environment due to inventory timing differences.
- During the fourth quarter of 2018 we completed the 10% normal course issuer bid initiated in March 2018 repurchasing the maximum 6,590,095 common shares in 2018 for approximately \$444 million.
- During the fourth quarter of 2018 we paid a \$0.33 per common share quarterly dividend to shareholders for a total of \$25 million.
- Total distributions to shareholders in 2018 were \$550 million including quarterly dividends and share repurchases.
- In the fourth quarter of 2018 we restarted our 0.8 million tonne Chile IV plant that had been idle since 2007. During the quarter, Chile I and IV have been operating on a combination of Chile and Argentina sourced natural gas with Chile IV production ramping up over the quarter.
- We continue to make good progress on a potential Geismar 3 production facility. We continue to expect to spend approximately \$50 to \$60 million on this project prior to reaching a final investment decision with approximately \$45 million remaining to be spent in the first half of 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>	Annual Operating Capacity¹	2018 Production	2017 Production	Q4 2018 Production	Q3 2018 Production	Q4 2017 Production
New Zealand ²	2,430	1,606	1,943	389	478	558
Geismar (USA)	2,000	2,078	1,935	527	520	506
Trinidad (Methanex interest) ³	2,000	1,702	1,768	448	353	466
Egypt (50% interest)	630	613	534	155	128	145
Medicine Hat (Canada)	600	600	593	160	144	158
Chile ⁴	880	612	414	206	112	109
	8,540	7,211	7,187	1,885	1,735	1,942

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.

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. For 2018, our operating capacity in Chile is 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. Chile operating capacity will be updated in 2019 to reflect the two plant operations.

Key production and operational highlights during the fourth quarter include:

- New Zealand produced 389,000 tonnes compared with 478,000 tonnes in the third quarter of 2018. Production in the fourth quarter of 2018 is lower than the third quarter of 2018 by 89,000 tonnes primarily as a result of a scheduled turnaround at our Waitara Valley site and continued gas constraints as a result of natural gas suppliers completing planned and unplanned maintenance activities.
- Geismar production rates continue to be strong, with production of 527,000 tonnes.
- Trinidad produced 448,000 tonnes (Methanex interest) compared with 353,000 tonnes in the third quarter of 2018. Production in Trinidad was higher in the fourth quarter of 2018 compared to the third quarter of 2018 primarily as a result of production outages during the previous quarter. Additionally, we continue to experience gas curtailments in Trinidad.
- The Egypt facility produced 310,000 tonnes (Methanex interest - 155,000 tonnes) in the fourth quarter of 2018 compared with 256,000 tonnes (Methanex interest - 128,000 tonnes) in the third quarter of 2018. Mechanical issues primarily related to the supply of off spec natural gas at the Egypt facility resulted in lower production during the previous quarter.
- Medicine Hat produced 160,000 tonnes during the fourth quarter of 2018 compared to 144,000 tonnes in the third quarter of 2018. We experienced CO₂ supply constraints during the third quarter of 2018.
- The Chile facilities, Chile I and IV, produced 206,000 tonnes during the fourth quarter of 2018 from a combination of Chile and Argentina sourced natural gas with Chile IV production ramping up over the quarter. This compares to 112,000 tonnes during the third quarter of 2018, including 20,000 tonnes through the tolling arrangement.

CONFERENCE CALL

A conference call is scheduled for January 31, 2019 at 12:00 noon ET (9:00 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, 2019 at (905) 694-9451, or toll free at (800) 408-3053. The passcode for the playback version is 4200911#.

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 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 fourth 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 13 of the Company's MD&A for the period ended December 31, 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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