

# NEWS RELEASE



A Responsible Care® Company

Methanex Corporation  
1800 - 200 Burrard St.  
Vancouver, BC Canada V6C 3M1  
Investor Relations: 604-661-2600  
Toll-Free: 1-800-661-8851  
<http://www.methanex.com>

**For immediate release**

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## METHANEX PROCEEDS WITH LOUISIANA PROJECT

Methanex Corporation announced today that it has reached a final investment decision to proceed with the relocation of a one million tonne methanol plant from its Chile site to Geismar, Louisiana. The Louisiana plant is targeted to be operational by the end of 2014 and the expected cost of the project including all Owners' and pre-start up costs is approximately US\$550 million.

Bruce Aitken, President and CEO of Methanex commented, "We are delighted to move forward with this excellent project which we believe will create significant value for shareholders and add an important new supply source for our customers. We have completed the engineering study which reaffirms that the project offers substantial capital savings compared to a greenfield methanol plant. In addition, it can be executed in significantly less time, which allows us to capitalize on the current low natural gas price environment in North America."

Mr. Aitken added, "Geismar is an excellent location for a methanol project. It possesses world-class infrastructure, skilled workers and is a positive, low-risk environment in which to do business. It is also a large methanol-consuming region which offers the potential for substantial logistics cost savings. We have commenced dismantling of the plant and expect to receive all key permits by the end of 2012."

Mr. Aitken concluded, "The timing of this project is also excellent. The demand outlook for methanol is strong and there is little new production capacity being added to the industry over the next several years."

Methanex is a Vancouver-based, publicly traded company and is the world's largest 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"; on the NASDAQ Global Market in the United States under the trading symbol "MEOH"; and on the Foreign Securities Market of the Santiago Stock Exchange in Chile under the trading symbol "Methanex". Methanex can be visited online at [www.methanex.com](http://www.methanex.com).

## FORWARD-LOOKING INFORMATION WARNING

This press release contains forward-looking statements with respect to us and our industry. Statements that include the words "targeted", "expected", "believes" 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,
- expected re-start date of our relocated methanol plant,
- ability to obtain natural gas for our relocated methanol plant on commercially acceptable terms ,
- expected capital cost to restart our relocated methanol plant,
- anticipated production rates of our restarted methanol plant,
- expected operating costs, including natural gas feedstock costs and logistics costs of our restarted methanol plant,
- ability to successfully execute the relocation of our idled methanol plant,

- expected global or regional economic activity (including industrial production levels),
- expected cash flows, earnings capability and share price.

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:

- success of natural gas exploration and development and our ability to procure economically priced natural gas in the United States,
- production rates of our relocated methanol plant,
- receipt or issuance of governmental and regulatory consents or approvals, including without limitation, environmental permits, required in order to operate the relocated methanol plant,
- global and regional economic activity (including industrial production levels),
- absence of a material negative impact from changes in laws or regulations,
- timing of completion and cost of execution of the Louisiana relocation project.

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 supply, demand and price for methanol and its derivatives, including demand for methanol for energy uses,
- the price of natural gas, oil and oil derivatives,
- our ability to enter into gas purchase arrangements on commercially acceptable terms,
- the ability to successfully carry out corporate initiatives and strategies,
- actions of competitors, suppliers, and financial institutions,
- changes in laws or regulations,
- world-wide economic conditions, and
- other risks described in our 2011 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 anticipated in forward-looking statements may not occur and we do not undertake to update forward-looking statements except as required by applicable securities laws.

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**Inquiries:**

Jason Chesko  
Director, Investor Relations  
Methanex Corporation  
604-661-2600