METHANEX CORP
Form F-10/A
November 07, 2014
As filed with the Securities and Exchange Commission on November 7, 2014
Registration No. 333-199756

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Amendment No. 1

to
FORM F-10
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Methanex Corporation
(Exact name of Registrant as specified in its charter)

Canada	2869	Not Applicable
(Province or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number, if applicable)

1800 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada V6C 3M1
(604) 661-2600
(Address and telephone number of Registrant's principal executive offices)

CT Corporation System
111 8th Avenue, New York, New York 10011 (212) 894-8700
(Name, address, including zip code, and telephone number, including area code, of agent for service in the United States)
Please send copies of all correspondence to:

Copies to:

Robin Mahood	Ian P. Cameron	Edwin S. Maynard
McCarthy Tétrault LLP	Methanex Corporation	Paul, Weiss, Rifkind,

Pacific Centre, P.O. Box 10424 Suite 1300, 777 Dunsmuir Street Vancouver, B.C., Canada V7Y 1K2 (604) 643-7100	1800 Waterfront Centre 200 Burrard Street Vancouver, B.C., Canada V6C 3M1 Telephone: (604) 661-2600	Wharton & Garrison LLP 1285 Avenue of the Americas New York, New York 10019-6064 (212) 373-3024

Approximate date of commencement of proposed sale to the public:
From time to time after the effective date of this Registration Statement.

Province of British Columbia, Canada
(Principal jurisdiction regulating this offering)

It is proposed that this filing shall become effective (check appropriate box below):

A. o upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).

B. x at some future date (check appropriate box below)

1.	o	pursuant to Rule 467(b) on ( ) at ( ) (designate a time not sooner than 7 calendar days after filing).
2.	o	pursuant to Rule 467(b) on ( ) at ( ) (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ( ) .
3.	x	pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
4.	o	after the filing of the next amendment to this Form (if preliminary material is being filed).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction's shelf prospectus offering procedures, check the following box. x

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The Registrant hereby amends this registration statement on such date or dates as may be necessary to delay its effective date until the registration statement shall become effective as provided in Rule 467 under the Securities Act of 1933, as amended, or on such date as the Commission, acting pursuant to Section 8(a) of the Act, may determine.

PART I

INFORMATION REQUIRED TO BE DELIVERED TO OFFEREES OR PURCHASERS

Base Shelf Prospectus

This short form prospectus is referred to as a short form base shelf prospectus and has been filed under legislation in the Province of British Columbia that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Vice President Legal, Assistant General Counsel and Corporate Secretary of Methanex Corporation at 1800 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada V6C 3M1 (telephone: 604-661-2600) and are also available electronically at www.sedar.com.

Short Form Prospectus

New Issue November 7, 2014

US$750,000,000

METHANEX CORPORATION

DEBT SECURITIES

We may from time to time offer up to an aggregate principal amount of US$750,000,000 of debt securities during the 25 month period that this short form prospectus (the “Prospectus”), including any amendments hereto, remains valid. The debt securities may be offered separately or together, in one or more series, in amounts, at prices and on other terms to be determined based on market conditions at the time of issuance and set forth in an accompanying prospectus supplement.

We will provide the specific terms of the debt securities in respect of which this Prospectus is being delivered (the “Offered Debt Securities”) and all information omitted from this Prospectus in supplements to this Prospectus that will be delivered to purchasers together with this Prospectus. You should read this Prospectus and any applicable prospectus supplement carefully before you invest in Offered Debt Securities.

Neither the United States Securities and Exchange Commission nor any state securities regulator has approved or disapproved of these debt securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We are permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this Prospectus in accordance with Canadian disclosure requirements, which are different from U.S. disclosure requirements. Our financial statements, which are incorporated by reference herein, have been prepared, for all periods presented, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and are subject to Canadian generally accepted auditing standards and auditor independence standards. As a result, they may not be comparable to financial statements of U.S. companies.

Owning the Offered Debt Securities may subject you to tax consequences both in the United States and Canada. This Prospectus or any applicable prospectus supplement may not describe these tax consequences fully. You should read the tax discussion in any applicable prospectus supplement and should consult with your own tax advisor with respect to your own particular circumstances.

Your ability to enforce civil liabilities under U.S. federal securities laws may be affected adversely because we are incorporated in Canada, most of our officers and directors and some of the experts named in this Prospectus are not residents of the United States, and many of our assets and all or a substantial portion of the assets of such persons are located outside of the United States.

There is no market through which the Offered Debt Securities may be sold and purchasers may not be able to resell Offered Debt Securities purchased under this Prospectus. This may affect the pricing of the Offered Debt Securities on the secondary market, the transparency and availability of trading prices, the liquidity of the Offered Debt Securities and the extent of Issuer regulation. See "Risk Factors."

We may sell the Offered Debt Securities to or through underwriters or dealers, and also may sell Offered Debt Securities to one or more other purchasers, directly or through agents. In addition, we may issue the Offered Debt Securities pursuant to one or more exchange offers for our previously issued debt securities. This Prospectus only qualifies under the securities laws of British Columbia the distribution of the Offered Debt Securities in the United States and elsewhere outside of Canada. This Prospectus does not qualify the distribution of any Offered Debt Securities which may be offered or sold in any province or territory of Canada, including the Province of British Columbia, and any such sales will only be made pursuant to private placement exemptions from the prospectus requirements of the securities laws of such provinces or territories. See "Plan of Distribution". A prospectus supplement will set forth the names of any underwriters, dealers or agents involved in the offering of any Offered Debt Securities and will set forth the terms of the offering of the Offered Debt Securities, including, to the extent applicable, the proceeds to us, the principal amounts, if any, to be purchased by underwriters, the underwriting discounts or commissions, and any other discounts or concessions to be allowed or reallowed to dealers.

Our head and registered office is located at 1800 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada V6C 3M1 (telephone: 604-661-2600).

TABLE OF CONTENTS

Table of Contents

ABOUT THIS PROSPECTUS

Except as set forth under "Description of Debt Securities", and unless the context otherwise requires, all references in this Prospectus to "we", "us" and "our" and similar terms, as well as references to "Methanex" and "the Company", refer Methanex Corporation and its subsidiaries.

This Prospectus is part of a registration statement on Form F-10 relating to the Offered Debt Securities that we have filed with the United States Securities and Exchange Commission (the "SEC"). Under the registration statement, we may, from time to time, offer any combination of the Offered Debt Securities described in this Prospectus in one or more offerings of up to an aggregate principal amount of US$750,000,000. This Prospectus provides you with a general description of the debt securities that we may offer under the registration statement. Each time we offer Offered Debt Securities under the registration statement, we will provide a prospectus supplement that will contain specific information about the terms of that offering of Offered Debt Securities. The prospectus supplement may also add, update or change information contained in this Prospectus. Before you invest in any Offered Debt Securities, you should read both this Prospectus and any applicable prospectus supplement, together with the additional information described under the heading "Documents Incorporated by Reference". This Prospectus does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. You should refer to the registration statement and the exhibits to the registration statement for further information with respect to us and the Offered Debt Securities.

The Offered Debt Securities will not be distributed, directly or indirectly, in Canada or to residents of Canada in contravention of the securities laws of any province or territory of Canada.

In this Prospectus and any prospectus supplement, all references to "dollars" or "$" are to U.S. dollars and all references to "Canadian dollars" and "CDN$" are to Canadian dollars. Unless otherwise indicated, all financial statements and other financial information included or incorporated by reference in this Prospectus or included or incorporated by reference in any prospectus supplement is in U.S. dollars and have been prepared in accordance with IFRS for all periods presented. IFRS differs in some material respects from U.S. generally accepted accounting principles, and so this financial information may not be comparable to the financial information of U.S. companies.

We have not authorized any person to provide you with information other than the information contained in or incorporated by reference in this Prospectus or any applicable prospectus supplement or the information included in the registration statement of which this Prospectus forms a part. We take no responsibility for, and can provide no assurance as to the reliability of, any information that others may give you. We are not making an offer of Offered Debt Securities in any jurisdiction where the offer is not permitted by law. You should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable prospectus supplement is accurate as of any date other than the date on the front of this Prospectus or any applicable prospectus supplement, respectively. Our business, financial condition, results of operations and prospects may have changed since those dates.

WHERE YOU CAN FIND MORE INFORMATION

We file with the British Columbia Securities Commission (the "BCSC") and with the various securities commissions or similar authorities in each of the provinces and territories of Canada annual and quarterly reports, material change reports and other disclosure documents. You may also access our disclosure documents and any reports, statements or other information that we file with the securities regulatory authorities in each of the provinces and territories of Canada through the Internet on the Canadian System for Electronic Document Analysis and Retrieval, which is commonly known by the acronym "SEDAR" and which may be accessed at www.sedar.com. SEDAR is the Canadian equivalent of the SEC's Electronic Document Gathering and Retrieval System, which is commonly known by the acronym EDGAR and which may be accessed at www.sec.gov. In addition to our continuous disclosure obligations under the securities laws of the provinces and territories of Canada, we are subject to the information requirements of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act"), and, in accordance with the Exchange Act, we file with or furnish to the SEC certain reports and other information. Under a multijurisdictional disclosure system adopted by the United States and Canada, these reports and other information (including financial information) may be prepared in accordance with the disclosure requirements of Canada, which differ from those in the United States.

You may read or obtain copies, at a fee, of any document we file with or furnish to the SEC at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 or access its website at www.sec.gov for further information on the public reference room. Our filings are also electronically available on EDGAR, as well as from commercial document retrieval services.

DOCUMENTS INCORPORATED BY REFERENCE

Under the multijurisdictional disclosure system adopted by the United States and Canada, the SEC and the BCSC allow us to "incorporate by reference" certain information that we file with them, which means that we can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this Prospectus. The following documents, filed by us with the various securities commissions or similar authorities in each of the provinces and territories of Canada and filed with or furnished to the SEC, are specifically incorporated by reference into and form an integral part of, this Prospectus:

Table of Contents

(a) our annual information form dated March 10, 2014 for the year ended December 31, 2013;

(b) our audited consolidated annual financial statements as at and for the years ended December 31, 2013 and 2012, together with the notes thereto and the auditors' report thereon;

(c) our management's discussion and analysis of our financial condition and results of operation for the year ended December 31, 2013 (the "Annual MD&A");

(d) our unaudited consolidated interim financial statements as at and for the three and nine months ended September 30, 2014, together with the notes thereto;

(e) our management's discussion and analysis of our financial condition and results of operation for the three and nine months ended September 30, 2014 (the "Interim MD&A");

(f) our management information circular dated March 7, 2014 for our annual meeting of shareholders held on April 30, 2014; and

(g) the following material change reports:

(i) our material change report dated May 1, 2014 in respect of the increase in our quarterly dividend;

(ii) our material change report dated May 2, 2014 in respect of our commencement of a normal course issuer bid; and

(iii) our material change report dated May 5, 2014 in respect of the settlement of a gas delivery dispute between Methanex Chile S.A. and Total Austral S.A.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), the content of any news release publicly disclosing financial information for a period more recent than the period for which financial statements are required to be incorporated herein, and certain other documents as set forth in Item 11.1 of Form 44¬101F1 of National Instrument 44-101 — Short Form Prospectus Distributions filed by us with a securities commission or similar authority in Canada after the date of this Prospectus and prior to the termination of a distribution of Offered Debt Securities will be deemed to be incorporated by reference in this Prospectus. These documents are available through the Internet on SEDAR. In addition, to the extent that any document or information incorporated by reference in this Prospectus is included in a report that is filed with or furnished to the SEC on Form 40-F, 20-F or 6-K (or any respective successor form), such document or information shall also be deemed to be incorporated by reference as an exhibit to this Prospectus and the registration statement on Form F-10 of which this Prospectus forms a part.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus will be deemed to be modified or superseded for the purposes of this Prospectus to the extent that a statement contained in this Prospectus or in any subsequently filed document that also is or is deemed to be incorporated by reference in this Prospectus modifies or supersedes that statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this Prospectus. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

Upon a new annual information form and the related annual consolidated financial statements being filed by us with the appropriate securities regulatory authorities during the currency of this Prospectus, the previous annual information form, annual consolidated financial statements and all interim consolidated financial statements, material change reports, and all prospectus supplements filed by us prior to the commencement of our fiscal year in which the new annual information form and the related annual consolidated financial statements is filed will be deemed no longer to be incorporated by reference in this Prospectus for purposes of future offers of debt securities hereunder. Upon an information circular in connection with an annual general meeting being filed by us with the appropriate securities regulatory authorities during the currency of this Prospectus, the information circular filed in connection with the previous annual general meeting (unless such information circular also related to a special meeting) will be deemed no longer to be incorporated by reference in this Prospectus for purposes of future offers of debt securities hereunder.

Copies of the documents incorporated herein by reference may be obtained on request without charge from Kevin Price, Vice President Legal, Assistant General Counsel and Corporate Secretary of Methanex Corporation at 1800 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada V6C 3M1 (telephone: 604 661-2600).

A prospectus supplement containing the specific terms in respect of any offering of Offered Debt Securities, updated disclosure of earnings coverage ratios, if applicable, and other information in relation to such Offered Debt Securities will be delivered to purchasers of such Offered Debt Securities together with this Prospectus and will be deemed to be incorporated by reference in this Prospectus as of the date of such prospectus supplement, but only for purposes of the offering of such Offered Debt Securities by such prospectus supplement.

Table of Contents

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

This Prospectus, and certain documents incorporated by reference in this Prospectus, contain certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to as "forward-looking statements"). These statements relate to future events or our future performance. All statements other than statements of historical fact are forward-looking statements. The use of any of (or variations of any of) the words "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "should", "bel expressions are intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results or events to differ materially from those implied by such forward-looking statements. These statements speak only as of the date of this Prospectus or as of the date specified in the documents incorporated by reference in this Prospectus, as the case may be. These forward-looking statements include, but are not limited to, statements concerning:

- 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 shut downs (either temporary or permanent) or restarts of existing methanol supply (including our own facilities), including, without limitation, the timing 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;
- 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 ability to execute, future projects, plant restarts, capacity expansions, plant relocations or other business initiatives or opportunities, including the planned relocation of idle Chile methanol plants to Geismar, Louisiana;
- 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;

Table of Contents

- 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 Prospectus and certain documents incorporated by reference in this Prospectus 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;
- timing of completion and cost of our Geismar project;
- 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 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;
- our ability to meet timeline and budget targets for our Geismar projects, including cost pressures arising from labour costs;
- competing demand for natural gas, especially with respect to domestic needs for gas and electricity in Chile and Egypt;

Table of Contents

- 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;
- satisfaction of conditions precedent contained in the natural gas supply agreement for Geismar 1; and
- other risks described in the documents incorporated by reference in this Prospectus, including, without limitation, under the heading "Risk Factors and Risk Management" in our Annual MD&A and Interim MD&A.

We caution you that the foregoing list of important factors and assumptions is not exhaustive. Events or circumstances could cause our actual results to differ materially from those estimated or projected and expressed in, or implied by, these forward-looking statements. Accordingly, you should not place undue reliance on forward-looking statements. You should also carefully consider the matters discussed under "Risk Factors" in this Prospectus. We undertake no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, whether as a result of new information or future events or otherwise, except as may be required by law.

METHANEX CORPORATION

We are the world's largest producer and supplier of methanol to the major international markets of North America, Asia Pacific, Europe and South America. We have production facilities in New Zealand, Trinidad, Egypt, Canada and Chile and are in the process of constructing production facilities in the United States.

RISK FACTORS

An investment in the Offered Debt Securities involves risk. Before deciding whether to invest in the Offered Debt Securities, you should consider carefully the risks described below as well as the other information contained and incorporated by reference in this Prospectus (including subsequent documents incorporated by reference in this Prospectus) and, if applicable, those described in a prospectus supplement relating to a specific offering of Offered Debt Securities. These are not the only risks and uncertainties that we face. Additional risks not presently known to us or that we currently consider immaterial may also materially and adversely affect us. If any of the events identified in these risks and uncertainties were to actually occur, our business, financial condition or results of operations could be materially harmed.

We are vulnerable to reductions in the availability of supply and fluctuations in the cost of natural gas.

We use natural gas as the principal feedstock for producing methanol, and it accounts for a significant portion of our operating costs. Accordingly, our results from operations depend in large part on the availability, security of supply and price of natural gas. If, for any reason, we are unable to obtain sufficient natural gas for any of our plants on commercially acceptable terms or we experience interruptions in the supply of contracted natural gas, we could be forced to curtail production or close such plants, which could have an adverse effect on our results of operations and financial condition.

New Zealand

We have three plants in New Zealand with a total production capacity of up to 2.4 million tonnes per year, depending on natural gas composition. Two plants are located at Motunui and the third is located at nearby Waitara Valley. We have entered into several agreements with various suppliers to underpin our New Zealand operations with terms that range in length up to 2022. All agreements in New Zealand are take-or-pay agreements and include base and variable price components where the variable price component is adjusted by a formula related to methanol prices above a certain level. We believe this pricing relationship enables these facilities to be competitive at all points in the methanol price cycle and provides gas suppliers with attractive returns. Certain of these contracts require the supplier to deliver a minimum amount of natural gas with additional volumes dependent on the success of ongoing appraisal and development of the related natural gas field.

We continue to pursue opportunities to contract additional natural gas to supply our plants in New Zealand. The future operation of our New Zealand facilities depends on the ability of our contracted suppliers to meet their commitments and the success of ongoing exploration, appraisal and development activities in the region. We cannot provide assurance that our contracted suppliers will be able to meet their commitments or that their ongoing exploration, appraisal and development activities in New Zealand will be successful to enable our operations to operate at full capacity and that this will not have an adverse impact on our results from operations and financial condition.

Table of Contents

Trinidad

We have two methanol plants in Trinidad (Titan and Atlas). Natural gas for our two methanol production facilities in Trinidad, with our share of total production capacity being 2.0 million tonnes per year, is supplied under take-or-pay contracts with National Gas Company of Trinidad (“NGC”). The contracts for Titan and Atlas expire in 2014 and 2024, respectively, and have base and variable price components where the variable portion is adjusted by a formula related to methanol prices above a certain level. The current Titan gas contract includes an option to extend the contract for a five year period at terms to be agreed. We are currently in discussions with NGC to extend the Titan gas contract. We believe the supply and demand fundamentals for natural gas supply in Trinidad will support the continued operation of this facility, however we cannot provide assurance that we will be able to secure the natural gas on commercially acceptable terms and that this will not have an adverse impact on our results of operations and financial condition.

Since 2011, large industrial consumers in Trinidad, including our Titan and Atlas facilities, have experienced periodic curtailments of natural gas supply due to a mismatch between upstream commitments to supply NGC and downstream demand from NGC’s customers, which becomes apparent when an upstream supplier has a technical issue or planned maintenance that reduces gas delivery. We are engaged with key stakeholders to find a solution to this issue, but in the meantime expect to continue to experience some gas curtailments to our Trinidad facilities. We cannot provide assurance that we will not experience longer or greater than anticipated curtailments due to upstream outages or other issues in Trinidad and that these curtailments will not be material and that this would not have an adverse impact on our results of operations and financial condition.

Egypt

We have a 25 year take-or-pay natural gas supply agreement that expires in 2035 for a 1.26 million tonnes per year methanol plant in Egypt in which we have a 50% equity interest. The price paid for gas is based on a U.S. dollar base price plus a variable price component that is adjusted by a formula related to methanol prices above a certain level. Under the contract, the gas supplier is obligated to supply, and the Egyptian facility is obliged to take or pay for, a specified annual quantity of natural gas. Gas which is paid for but not taken in any year may be received by the facility in subsequent years, subject to limitations. Natural gas is supplied to this facility from the same gas delivery grid infrastructure that supplies other industrial users in Egypt, as well as the general Egyptian population.

The Egypt facility began experiencing periodic natural gas supply constraints in mid-2012 and since that time has operated below full capacity. Production during the first three quarters of 2014 was lower than for the same period of 2013 due to natural gas supply restrictions that required us to idle the plant through much of the peak summer electricity consumption period. Egypt’s government is currently in a transition, which has resulted in ongoing civil unrest, political uncertainty and an adverse impact on the country’s economy. We believe that these factors are contributing to constraints in the development of new supplies of natural gas coming to market and an increase in the use of domestically-produced natural gas instead of more expensive imported energy for the purpose of generating domestic electricity. These factors have led to periodic natural gas supply restrictions to the Methanex Egypt facility. This situation may persist in the future and become more acute during the summer months when electricity demand is at its peak. We cannot provide assurance that we will not experience longer or greater than anticipated natural gas restrictions and that this would not have an adverse impact on our results of operations and financial condition.

Canada

We have a program in place to purchase natural gas for our 0.6 million tonnes per year Medicine Hat facility on the Alberta gas market. The future operation of our Medicine Hat facility depends on methanol industry supply and demand fundamentals and our ability to secure sufficient natural gas on commercially acceptable terms. We cannot provide assurance that we will be able to continue to secure sufficient natural gas for our Medicine Hat facility on commercially acceptable terms and that this will not have an adverse impact on our results of operations and financial condition.

Chile

We have two methanol plants in Chile with a total annual production capacity of 1.8 million tonnes per year. Although we have long-term natural gas supply contracts in place that entitle us to receive a significant quantity of our total natural gas requirements in Chile from suppliers in Argentina, these suppliers have curtailed all gas supply to our plants in Chile since June 2007 in response to various actions by the Argentinean government that include imposing an increase to the duty on natural gas exports from Argentina. As a result, we have been operating our Chile facilities significantly below site capacity since 2007. We are not aware of any plans by the Government of Argentina to decrease or remove this duty. While we have rejected the claims of force majeure from our Argentine suppliers, under the current circumstances, we do not expect that our suppliers will deliver natural gas from Argentina under those long-term gas supply agreements. However, in March 2013, we began receiving some natural gas from an Argentinian supplier pursuant to a tolling agreement whereby the natural gas received is converted into methanol and then re-delivered to Argentina.

Since 2007, all of the methanol production at our Chile facilities, other than the natural gas received from Argentinian suppliers under the tolling arrangement, has been produced from natural gas from Chile. While significant investments have been made in natural gas exploration and development in southern Chile and there have been new gas discoveries in the region, the potential for a significant increase in gas deliveries to our plants remains challenging. In addition, we are not receiving the full quantities of Chilean gas for which we have contracted from Empresa Nacional del Petróleo, the Chilean national oil and gas company.

Table of Contents

After idling our Chile operations in the second quarter of 2014 as a result of insufficient natural gas feedstock during the southern hemisphere winter, we restarted operations in September 2014. The future of our Chile operations is primarily dependent on the level of exploration and development in southern Chile and our ability to secure a sustainable natural gas supply to our facilities on economic terms from Chile and Argentina. We cannot provide assurance that we will be able to continue to operate our Chile operations and that this will not have an adverse impact on our results of operations or financial condition.

United States

We are in the process of relocating two idle Chile methanol plants to Geismar, Louisiana. We are targeting to complete construction of the 1.0 million tonne Geismar 1 facility in late 2014 and produce methanol in January 2015. We are targeting to produce methanol from the 1.0 million tonne Geismar 2 facility late in the first quarter of 2016.

We have secured a ten-year take-or-pay natural gas agreement for the supply of all of Geismar 1's natural gas requirements and contractual deliveries and obligations commence on the first date of commercial operations. The price to be paid for the gas is based on a U.S. dollar base price plus a variable price component where the variable price component is adjusted by a formula related to methanol prices above a certain level. We cannot provide assurance that our natural gas supplier for the Geismar 1 plant will supply the contracted gas or that we will be able to secure natural gas for the Geismar 2 plant on commercially acceptable terms. These factors could have an adverse impact on our results of operations and financial condition.

The methanol industry is subject to commodity price volatility and supply and demand uncertainty.

The methanol business is a highly competitive commodity industry and prices are affected by supply and demand fundamentals. Methanol prices have historically been, and are expected to continue to be, characterized by cyclicality. New methanol plants are expected to be built and this will increase overall production capacity. Additional methanol supply can also become available in the future by restarting idle methanol plants, carrying out major expansions of existing plants or debottlenecking existing plants to increase their production capacity. Historically, higher-cost plants have been shut down or idled when methanol prices are low, but there can be no assurance that this practice will occur in the future. Demand for methanol largely depends upon levels of global industrial production, changes in general economic conditions and the level of energy prices.

We are not able to predict future methanol supply and demand balances, market conditions, global economic activity, methanol prices or energy prices, all of which are affected by numerous factors beyond our control. Since methanol is the only product we produce and market, a decline in the price of methanol would have an adverse effect on our results of operations and financial condition.

Weakening global economic conditions could negatively impact our business.

A significant weakening in global economic conditions could present risks and uncertainties which could significantly impact our business, including risks and uncertainties related to the impact on global supply and demand for methanol, its impact on methanol prices, changes in capital markets and corresponding effects on our investments, our ability to access existing or future credit and increased risk of defaults by customers, suppliers and insurers.

We are subject to risks inherent in foreign operations.

A significant portion of our operations and investments are located outside of North America, in New Zealand, Trinidad, Egypt, Chile, Europe and Asia. We are subject to risks inherent in foreign operations such as loss of revenue, property and equipment as a result of expropriation; import or export restrictions; anti-dumping measures; nationalization, war, insurrection, civil unrest, terrorism and other political risks; increases in duties, taxes and governmental royalties; renegotiation of contracts with governmental entities; as well as changes in laws or policies or other actions by governments that may adversely affect our operations. Many of the foregoing risks related to foreign operations may also exist for our domestic operations in North America.

Because we derive a significant portion of our revenues from production and sales by subsidiaries outside of Canada, the payment of dividends or the making of other cash payments or advances by these subsidiaries may be subject to restrictions or exchange controls on the transfer of funds in or out of the countries in which such subsidiaries operate or result in the imposition of taxes on such payments or advances.

We have organized our foreign operations in part based on certain assumptions about various tax laws (including capital gains and withholding taxes), foreign currency exchange and capital repatriation laws and other relevant laws of a variety of foreign jurisdictions. While we believe that such assumptions are reasonable, we cannot provide assurance that foreign taxation or other authorities will reach the same conclusion. Further, if such foreign jurisdictions were to change or modify such laws, we could suffer adverse tax and financial consequences.

The dominant currency in which we conduct business is the U.S. dollar, which is also our reporting currency. The most significant components of our costs are natural gas feedstock and ocean-shipping costs and substantially all of these costs are incurred in U.S. dollars. Some of our underlying operating costs, capital expenditures and purchases of methanol, however, are incurred in currencies other than the U.S. dollar, principally the Canadian dollar, the Chilean peso, the Trinidad and Tobago dollar, the New Zealand dollar, the Euro, the Egyptian

Table of Contents

pound and the Chinese yuan. We are exposed to increases in the value of these currencies that could have the effect of increasing the U.S. dollar equivalent of cost of sales, operating expenses and capital expenditures. A portion of our revenue is earned in Euros, Canadian dollars and Chinese yuan. We are exposed to declines in the value of these currencies compared to the U.S. dollar, which could have the effect of decreasing the U.S. dollar equivalent of our revenue.

Trade in methanol is subject to duty in a number of jurisdictions. Methanol sold in China from any of our producing regions is currently subject to duties ranging from 0% to 5.5%. In 2010, the Chinese Ministry of Commerce investigated allegations made by domestic Chinese producers related to the dumping into China of imported methanol. In December 2010, the Ministry recommended that duties of approximately 9% be imposed on methanol imports from New Zealand, Malaysia and Indonesia for five years starting from December 24, 2010. However, citing special circumstances, the Customs Tariff Commission of the State Council, which is China's chief administrative authority, suspended enforcement of the recommended dumping duties with the effect that methanol will continue to be allowed to be imported from these three countries without the imposition of additional duties. If the suspension is lifted, we do not expect there to be a significant impact on industry supply/demand fundamentals and we would realign our supply chain to minimize the payment of duties. Currently, the costs we incur in respect of duties are not significant. However, there can be no assurance that the duties that we are currently subject to will not increase, that the suspension of Chinese dumping duties will not be lifted, that duties will not be levied in other jurisdictions in the future or that we will be able to mitigate the impact of future duties, if levied.

Methanol is a globally traded commodity that is produced by many producers at facilities located in many countries around the world. Some producers and marketers may have direct or indirect contacts with countries that may, from time to time, be subject to international trade sanctions or other similar prohibitions. In addition to the methanol we produce, we purchase methanol from third parties under purchase contracts or on the spot market in order to meet our commitments to customers, and we also engage in product exchanges with other producers and marketers. We believe that we are in compliance with all applicable laws with respect to sales and purchases of methanol and product exchanges. However, as a result of the participation of countries that are subject to such sanctions in the methanol industry, we cannot provide assurance that we will not be exposed to reputational or other risks that could have an adverse impact on our results of operations and financial condition.

Restrictions in our current debt agreements or the solvency of financial institutions could affect our ability to access existing financing or obtain new financing.

We have an undrawn $400 million credit facility that expires in December 2016. Our ability to access the facility is subject to certain financial covenants.

At September 30, 2014, our long-term debt obligations included $750 million in unsecured notes ($150 million which matures in 2015, $350 million which matures in 2019 and $250 million which matures in 2022), $376 million related to the Egypt limited recourse debt facilities, $21 million related to the other limited recourse debt facilities and $28 million related to the Atlas limited recourse debt facilities which are not consolidated for accounting purposes. The covenants governing the unsecured notes apply to the Company and its subsidiaries, excluding the Atlas, Egypt and other limited recourse entities ("limited recourse subsidiaries"). The Atlas, Egypt and other limited recourse debt facilities are described as limited recourse as they are secured only by the assets of the Atlas joint venture, the Egypt entity and other limited recourse entities, respectively. The agreements governing the unsecured notes and the Atlas, Egypt and other limited recourse debt facilities contain customary covenant and default provisions.

We cannot provide assurance that we will be able to access new financing in the future or that the financial institutions providing us with credit or holding our deposits will have the ability to honour future draws. Additionally, failure to comply with any of the covenants or default provisions could restrict our access to the credit facility or result in the acceleration of payment of outstanding principal and accrued interest on our long-term debt. Any of these factors could have a material adverse effect on our results of operations, our ability to pursue and complete strategic initiatives and/or on our financial condition.

Competition from other methanol producers is intense and could reduce our market share and harm our financial performance.

Methanol is a global commodity and customers base their purchasing decisions principally on the delivered price of methanol and reliability of supply. The methanol industry is highly competitive, and some of our competitors are not dependent on revenues from a single product and some have greater financial resources than we do. Our competitors also include state-owned enterprises. These competitors may be better able than we are to withstand price competition and volatile market conditions. If we are unable to provide customers with a reliable supply of methanol at competitive prices, we may lose market share to our competitors, which could have an adverse effect on our results of operations and financial condition.

We are vulnerable to credit risk of our customers.

Most of our customers are large global or regional petrochemical manufacturers or distributors and a number are highly leveraged. We monitor our customers' financial status closely; however, some customers may not have the financial ability to pay for methanol in the future and this could have an adverse effect on our results of operations and financial condition. Although credit losses have not been significant in the past, this risk still exists.

Future demand for methanol may be adversely affected by regulatory developments.

Demand for Methanol – General

Changes in environmental, health and safety laws, regulations or requirements could impact methanol demand. The US Environmental Protection Agency (the "EPA") is currently evaluating the human health effects of methanol as part of a standard review of chemicals under its Integrated Risk Information System ("IRIS"), a database of chemical health effects. Methanol is currently unclassified under IRIS. A draft assessment for methanol was released by the EPA in 2010 classifying methanol as "Likely to Be Carcinogenic to Humans." In 2011, the EPA divided the draft assessment for methanol into cancer and non-cancer assessments. In September 2013, the EPA released the final non-cancer assessment, in which it established the maximum ingestion and inhalation levels for methanol that it claims will not result in adverse health impacts. The timeline for the cancer assessment remains unknown. We are unable to determine whether the current draft classification will be maintained in the final assessment or if this will lead other government agencies to reclassify methanol. Any reclassification could reduce future methanol demand, which could have an adverse effect on our results of operations and financial condition.

Demand for Methanol in the Production of Formaldehyde

In 2013, methanol demand for the production of formaldehyde represented approximately 32% of global demand. The largest use for formaldehyde is as a component of urea-formaldehyde and phenol-formaldehyde resins, which are used in adhesives for plywood, particleboard, oriented strand board, medium-density fibreboard and other reconstituted or engineered wood products. There is also demand for formaldehyde as a raw material for engineering plastics and in the manufacture of a variety of other products, including elastomers, paints, building products, foams, polyurethane and automotive products.

The current EPA IRIS carcinogenicity classification for formaldehyde is "Likely to Be Carcinogenic to Humans;" however, the EPA is reviewing this classification for formaldehyde as part of its standard review of chemicals. In 2010, the EPA released its draft formaldehyde assessment, proposing formaldehyde as "Known to be Carcinogenic to Humans." The release of the final assessment of formaldehyde is expected in 2015.

In 2009, the U.S. National Cancer Institute (the "NCI") published a report on the health effects of occupational exposure to formaldehyde and a possible link to leukemia, multiple myeloma and Hodgkin's disease. The NCI report concluded that there may be an increased risk of cancers of the blood and bone marrow related to a measure of peak formaldehyde exposure. The NCI report is the first part of an update of the 2004 NCI study that indicated possible links between formaldehyde exposure and nasopharyngeal cancer and leukemia. The International Agency for Research on Cancer also concluded that there is sufficient evidence in humans of a causal association of formaldehyde with leukemia. In 2011, the U.S. Department of Health and Human Services' National Toxicology Program released its 12th Report on Carcinogens, modifying its listing of formaldehyde from "Reasonably Anticipated to be a Human Carcinogen" to "Known to be a Human Carcinogen."

We are unable to determine at this time if the EPA or other governments or government agencies will reclassify formaldehyde or what limits could be imposed related to formaldehyde emissions in the United States or elsewhere. Any such actions could reduce future methanol demand for use in producing formaldehyde, which could have an adverse effect on our results of operations and financial condition.

Demand for Methanol in the Production of MTBE

In 2013, methanol demand for the production of MTBE represented approximately 11% of global methanol demand. Demand growth has been healthy, particularly in China where there is growing MTBE capacity. MTBE is used primarily as a source of octane and as an oxygenate for gasoline to reduce the amount of harmful exhaust emissions from motor vehicles.

Several years ago, environmental concerns and legislative action related to gasoline leaking into water supplies from underground gasoline storage tanks in the United States resulted in the phase-out of MTBE as a gasoline additive in the United States. We believe that methanol has not been used in the United States to make MTBE for use in domestic fuel blending since 2007. However, approximately 0.7 million tonnes of methanol was used in the United States in 2013 to produce MTBE for export markets. Additionally, the EPA in the United States is preparing an IRIS review of the human health effects of MTBE, including its potential carcinogenicity. The timeline for the final report is currently unknown.

The European Union issued a final risk assessment report on MTBE in 2002 that permitted the continued use of MTBE, although several risk-reduction measures relating to the storage and handling of fuels were recommended. Governmental efforts in recent years in some countries, primarily in the European Union and Latin America, to promote biofuels and alternative fuels through legislation or tax policy put competitive pressures on the use of MTBE in gasoline in these countries. However, due to healthy MTBE demand in other countries, particularly in Asia, we have observed methanol demand growth for MTBE production.

Although MTBE demand has remained healthy outside of the United States, we cannot provide assurance that further legislation banning or restricting the use of MTBE or promoting alternatives to MTBE will not be passed or that negative public perceptions will not develop outside of the United States, either of which could lead to a decrease in the global demand for methanol for use in MTBE. Declines in demand for methanol for use in MTBE could have an adverse effect on our results of operations and financial condition.

Table of Contents

Our business is subject to many operational risks for which we may not be adequately insured.

Most of our earnings are derived from the sale of methanol produced at our plants. Our business is subject to the risks of operating methanol production facilities, such as equipment breakdowns, interruptions in the supply of natural gas and other feedstocks, power failures, longer-than-anticipated planned maintenance activities, loss of port facilities, natural disasters or any other event, including unanticipated events beyond our control, that could result in a prolonged shutdown of any of our plants or impede our ability to deliver methanol to our customers. A prolonged plant shutdown at any of our major facilities could have an adverse effect on our results of operations and financial condition.

In addition to the sale of methanol produced at our plants, we also purchase methanol produced by others on the spot market and through purchase contracts to meet our customer commitments and support our marketing efforts. We have adopted the first-in, first-out method of accounting for inventories and it generally takes us between 30 and 60 days to sell the methanol we purchase. Consequently, we have the risk of holding losses on the resale of this product to the extent that methanol prices decrease from the date of purchase to the date of sale. Holding losses, if any, on the resale of purchased methanol could have an adverse effect on our results of operations and financial condition.

Excess capacity within our fleet of ocean vessels resulting from a prolonged plant shutdown or other event could have an adverse effect on our results of operations and financial condition as our vessel fleet is subject to fixed time charter costs. In the event we have excess shipping capacity, we may be able to mitigate some of the excess costs by entering into sub-charters or third-party backhaul arrangements, although the success of this mitigation is dependent on conditions within the broader global shipping industry. If we suffer any disruptions in our distribution system and are unable to mitigate these costs this could have an adverse effect on our results of operations and financial condition.

Although we maintain operational and construction insurance, including business interruption insurance and delayed start-up insurance, we cannot provide assurance that we will not incur losses beyond the limits of, or outside the coverage of, such insurance or that insurers will be financially capable of honouring future claims. From time to time, various types of insurance for companies in the chemical and petrochemical industries have not been available on commercially acceptable terms or, in some cases, have been unavailable. We cannot provide assurance that in the future we will be able to maintain existing coverage or that premiums will not increase substantially.

We may not be able to successfully identify, develop and complete new capital projects.

As part of our strategy to strengthen our position as the global leader in the production and marketing of methanol, we intend to continue pursuing new opportunities to enhance our strategic position in the methanol industry. Our ability to successfully identify, develop and complete new capital projects is subject to a number of risks, including finding and selecting favourable locations for new facilities or for the relocation of existing facilities where sufficient natural gas and other feedstock is available through long-term contracts with acceptable commercial terms, obtaining project or other financing on satisfactory terms, constructing and completing the projects within the contemplated budgets and schedules and other risks commonly associated with the design, construction and start-up of large complex industrial projects. We cannot provide assurance that we will be able to identify or develop new methanol projects.

We are relocating two methanol plants from our Chile site to Geismar, Louisiana. We believe that our estimates for project costs and targeted completion dates for our Geismar projects are reasonable. However, we have experienced cost pressures and we cannot provide any assurance that the cost estimates will not be exceeded or that the facilities will begin commercial production within the targeted schedules, if at all, or that the facilities will operate at their designed capacity or on a sustained basis. Any changes to the targeted timing of completion or estimated cost to complete these projects could have an adverse impact on our results of operations and financial condition.

Government regulations relating to the protection of the environment could increase our costs of doing business.

The countries in which we operate all have laws and regulations to which we are subject governing the environment and the management of natural resources as well as the handling, storage, transportation, and disposal of hazardous or waste materials. We are also subject to laws and regulations governing emissions and the import, export, use, discharge, storage, disposal and transportation of toxic substances. The products we use and produce are subject to regulation under various health, safety and environmental laws. Non-compliance with these laws and regulations may give rise to compliance orders, fines, injunctions, civil liability and criminal sanctions.

Laws and regulations protecting the environment have become more stringent in recent years and may, in certain circumstances, impose absolute liability rendering a person liable for environmental damage without regard to negligence or fault on the part of such person. Such laws and regulations may also expose us to liability for the conduct of, or conditions caused by, others, or for our own acts even if we complied with applicable laws or for the conduct of, or conditions caused by, others at the time such acts were performed. To date, environmental laws and regulations have not had a significant adverse effect on our capital expenditures, earnings or competitive position. However, operating petrochemical manufacturing plants and distributing methanol exposes us to risks in connection with compliance with such laws and we cannot provide assurance that we will not incur significant costs or liabilities in the future.

Carbon dioxide (“CO2”) is a by-product of the methanol production process. The amount of CO2 generated by the methanol production process depends on the production technology (and hence often the plant age) and the feedstock. Plant efficiency, and thus CO2

Table of Contents

emissions, is highly dependent on the design of the methanol plant, so the CO2 emission figure may vary from year to year depending on the asset mix that is operating. We also recognize that CO2 is generated from our marine operations, and in that regard we measure the consumption of fuel by our ocean vessels based on the volume of product transported.

We manufacture methanol in New Zealand, Trinidad, Egypt, Canada and Chile. All of these countries signed and ratified the Kyoto Protocol; however, Canada has since removed itself from that Agreement. We are not currently required to reduce GHGs in Trinidad, Egypt and Chile but our production in New Zealand and Canada is subject to GHG regulations.

New Zealand passed legislation to establish an Emissions Trading Scheme ("ETS") that came into force in 2010. The ETS imposes a carbon price on producers of fossil fuels, including natural gas, which is passed on to Methanex, increasing the cost of gas that Methanex purchases in New Zealand. However, as a trade-exposed company, Methanex is entitled to a free allocation of emissions units to partially offset those increased costs. The New Zealand government confirmed that the legislation will continue providing further moderation and the free emission allocation provisions will remain unchanged until at least 2015. Consequently, our ETS-related costs are not expected to be significant to the end of 2015. However, after this date, the moderating features are expected to be removed and our eligibility for free allocation of emissions units may also be progressively reduced. As a consequence, we will likely incur increasing costs after 2015. It is impossible to accurately quantify the impact on our business of ETS-related costs after 2015 and therefore we cannot provide assurance that the ETS will not have a significant impact on our results of operations and financial condition.

Our Medicine Hat facility is located in the Canadian province of Alberta, which has an established GHG reduction regulation that applies to our plant. The regulation requires that facilities reduce emissions intensities by up to 12% of their established emissions intensity baseline. "Emissions intensity" means the quantity of specified greenhouse gases released per unit of production. In order to meet the reduction obligation, a facility can choose to make emissions reduction improvements or it can purchase offset credits or "technology fund" credits for CDN$15 per tonne of CO2 equivalent. Financial obligations began in 2014, and based on the GHG baseline intensity and 2013 emissions, we do not believe that the costs are material.

The federal government of Canada is in the process of developing a sector-by-sector approach to reduce GHG emissions in the chemical sector in support of its target to reduce GHG emissions to 17% below 2005 levels by 2020. Final regulations are expected to be published by the fall of 2015. As the sole methanol producer in Canada, Methanex is engaged in a consultative process intended to ensure that achievable performance standards are set and that equivalency agreements are adopted which prevent methanol producers from paying for GHG emissions under both provincial and federal regimes.

We are currently in the process of relocating two of our idle methanol plants in Chile to Geismar, Louisiana. The first of the reassembled plants in Geismar is targeted to be producing methanol in early 2015 and the second in early 2016. Today, there is no GHG legislation that impacts us in the United States. We continue to monitor the development of potential GHG legislation in the United States or Louisiana to ensure compliance with any potential future requirements once the plants becomes operational. At this time, it is unknown what impact potential new GHG legislation or regulations could have on our operations in Geismar.

We cannot provide assurance over ongoing compliance with existing legislation or that future laws and regulations to which we are subject governing the environment and the management of natural resources as well as the handling, storage, transportation and disposal of hazardous or waste materials will not have an adverse effect on our results of operations and financial condition.

Perceived or untrue occurrences could affect our reputation and financial condition.

Damage to our reputation could result from the actual or perceived occurrence of any number of events, and could include any negative publicity (for example, with respect to our handling of environmental, health or safety matters), whether true or not. Although we believe that we conduct our operations in a prudent manner and that we take care in protecting our reputation, we do not ultimately have direct control over how we are perceived by others. Reputation loss may result in decreased investor confidence, an impediment to our overall ability to advance our projects or increased challenges in maintaining our social license to operate, which could have an adverse impact on our results of operations and financial condition.

There can be no assurance as to the liquidity of the trading market for the Offered Debt Securities or that a trading market for the Offered Debt Securities will develop.

There is no public market for the Offered Debt Securities and, unless otherwise specified in the applicable prospectus supplement, we do not intend to apply for listing of the Offered Debt Securities on any securities exchanges. There can be no assurance as to the liquidity of the trading market for the Offered Debt Securities or that a trading market for the Offered Debt Securities will develop. If an active market for any Offered Debt Securities issued under this Prospectus does not develop, it could have an adverse effect on the market price of the Offered Debt Securities or your ability to sell the Offered Debt Securities.

Credit ratings may not reflect all risks of an investment in the Offered Debt Securities and may change.

Credit ratings may not reflect all risks associated with an investment in the Offered Debt Securities. Any credit ratings applied to the Offered Debt Securities are an assessment of our ability to pay our obligations. Consequently, real or anticipated changes in such credit

Table of Contents

ratings will generally affect the market value of the Offered Debt Securities. In addition, such credit ratings may not reflect the potential impact of the risks related to our business discussed or incorporated by reference in this Prospectus or in any prospectus supplement. There is no assurance that any credit rating assigned to the Offered Debt Securities will remain in effect for any given period of time or that any rating will not be lowered or withdrawn entirely by the relevant rating agency.

Changes in interest rates may cause the value of the Offered Debt Securities to decline.

Prevailing interest rates will affect the market price or value of the Offered Debt Securities. The market price or value of the Offered Debt Securities may decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline.

The Offered Debt Securities will be effectively subordinated to certain indebtedness of our subsidiaries.

Unless otherwise provided with respect to a series of Offered Debt Securities, the Offered Debt Securities will be our unsubordinated and unsecured obligation and will rank equally with all of our other unsecured, unsubordinated obligations. We conduct a substantial portion of our business through our subsidiaries. Therefore, unless otherwise provided with respect to a series of Offered Debt Securities and unless guaranteed under the terms of the indenture governing the Offered Debt Securities, our obligations under the Offered Debt Securities will be structurally subordinate to all existing and future indebtedness and liabilities, including trade payables, of our subsidiaries.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we will use the net proceeds from any sale of Offered Debt Securities for any one or more of debt repayment, working capital or other general corporate purposes. Pending such use of any proceeds, we may invest funds in short-term marketable securities.

EARNINGS COVERAGE

The following earnings coverage ratios have been prepared in accordance with Canadian securities law requirements and included in this Prospectus in accordance with Canadian disclosure requirements. They have been calculated on a consolidated basis using financial information prepared in accordance with IFRS for the year ended December 31. 2013, and the twelve month period ended September 30, 2014, and give effect to all of our long-term financial liabilities, and the repayment, redemption or other retirement thereof since the respective dates indicated below. The ratios do not give pro forma effect to any offering of Offered Debt Securities offered by a prospectus supplement and this Prospectus or to any change in indebtedness subsequent to the dates indicated below. For purposes of these calculations, reported net earnings attributable to Methanex shareholders have been increased by interest expense and income taxes.

Period	Earnings Coverage Ratio(1)	Net earnings before interest expense and income taxes (2)
Year ended December 31, 2013	697%	$451,255
12-month period ended September 30, 2014	1,025%	$638,315

(1) The earnings coverage ratio is equal to net earnings attributable to Methanex shareholders, adjusted as described above, divided by interest expense. These ratios do not purport to be indicative of earnings coverage ratios for any future period

(2) In thousands.

DESCRIPTION OF SHARE CAPITAL

Methanex is authorized to issue an unlimited number of common shares without nominal or par value and 25,000,000 preferred shares without nominal or par value. As at September 30, 2014, there were 93,901,644 common shares outstanding and no preferred shares outstanding.

Holders of common shares are entitled to receive notice of and attend all annual and special meetings and to one vote in respect of each common share held; receive dividends if, as and when declared by our Board of Directors; and participate in any distribution of assets of Methanex in the event of liquidation, dissolution or winding up.

Preferred shares may be issued in one or more series and our Board of Directors may fix the designation, rights, restrictions, conditions and limitations attached to the shares of each series. Currently, there are no preferred shares outstanding.

Our bylaws provide that at any meeting of our shareholders, a quorum shall be two persons present in person, or represented by proxy, holding shares representing not less than 25% of the votes entitled to be cast at the meeting. The NASDAQ Global Market's ("NASDAQ") listing standards require a quorum for shareholder meetings to be not less than 33 1/3% of a company's outstanding voting

Table of Contents

shares. As a foreign private issuer and because our quorum requirements are consistent with practices in Canada, our home country, under NASDAQ rules we are not subject to NASDAQ's quorum requirement.

DESCRIPTION OF DEBT SECURITIES

In this section, the words "Company", "we", "us", "our" and "Methanex" refer only to Methanex Corporation and not to any its subsidiaries or joint ventures. The following description sets forth certain general terms and provisions of the Offered Debt Securities. The particular terms and provisions of the series of Offered Debt Securities offered by a prospectus supplement and this Prospectus, and the extent to which the general terms and provisions described below may apply thereto, will be described in such prospectus supplement.

Unless otherwise specified in the applicable prospectus supplement, the Offered Debt Securities will be issued under the trust indenture, dated as of July 20, 1995, which was entered into between Methanex and The Bank of New York Mellon (formerly United States Trust Company of New York), as trustee (the "Trustee"), as currently supplemented (the trust indenture as supplemented and as will be supplemented is referred to herein as the "Indenture"). The Indenture is by its terms subject to and governed by the U.S. Trust Indenture Act of 1939, as amended. A copy of the form of Indenture has been filed with the SEC as an exhibit to the registration statement of which this Prospectus forms a part. The summaries of the Indenture and the Offered Debt Securities are brief summaries of certain provisions of the Indenture and do not purport to be complete. For a more complete description, including the definition of any terms used but not defined under this section, prospective investors should refer to the Indenture. Whenever we refer to particular provisions of the Indenture, those provisions are qualified in their entirety by reference to the Indenture.

General

The Indenture does not limit the aggregate principal amount of debt securities (which may include debentures, notes, bonds or other evidences of indebtedness) which may be issued thereunder. It will provide that debt securities may be issued from time to time in one or more series and may be denominated and payable in foreign currencies. The debt securities offered pursuant to this Prospectus will be limited to an aggregate principal amount (or the equivalent in other currencies) of $750,000,000.

The terms of the debt securities we may offer may differ from the general information provided below. In particular, certain covenants described below may not apply to certain debt securities we may offer under the Indenture. We may issue debt securities with terms different from those of debt securities previously issued under the Indenture.

The applicable prospectus supplement will contain a description of the following terms relating to the debt securities being offered:

- the title of the Offered Debt Securities;
- any limit on the aggregate principal amount of the Offered Debt Securities;
- the extent and manner, if any, to which payment on or in respect of the Offered Debt Securities will be senior or will be subordinate to the prior payment of our other liabilities and obligations;
- the extent to which the Offered Debt Securities will be issued at a premium or a discount to the principal amount;
- the date or dates on which the Offered Debt Securities will mature and the portion (if less than all of the principal amount) of the Offered Debt Securities to be payable upon declaration of acceleration of maturity;

- the rate or rates per annum (which may be fixed or variable) at which the Offered Debt Securities will bear interest, if any, the date or dates from which any such interest will accrue (or the method by which such date or dates will be determined) and the dates on which any such interest will be payable and the regular record dates for any interest payable on the Offered Debt Securities;

- any mandatory or optional redemption or sinking fund or analogous provisions, including the period or periods within which, the price or prices at which and the terms and conditions upon which the Offered Debt Securities may be redeemed or purchased at the option of Methanex or otherwise;

- whether the Offered Debt Securities will be issuable in whole or in part in the form of one or more registered global securities ("Registered Global Securities") and, if so, the identity of the depositary for such Registered Global Securities;

- the denominations in which debt securities will be issuable, if other than denominations of $1,000 and any integral multiple of $1,000 in excess thereof;

- each place where the principal of and any premium and interest on the Offered Debt Securities will be payable and each place where the Offered Debt Securities may be presented for registration of transfer or exchange;
- if other than U.S. dollars, the foreign currency or the units based on or relating to foreign currencies in which the Offered Debt Securities are denominated and/or in which the payment of the principal of and any premium and interest on the Offered Debt Securities will or may be payable;