METHANEX CORP
Form 6-K
January 27, 2012

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16 UNDER

THE SECURITIES EXCHANGE ACT OF 1934

FOR THE MONTH OF JANUARY 2012

METHANEX CORPORATION

(Registrant s name)

SUITE 1800, 200 BURRARD STREET, VANCOUVER, BC V6C 3M1 CANADA

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ¨ Form 40-F x

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ¨ No x

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82 .

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on behalf by the undersigned, thereunto duly authorized.

METHANEX CORPORATION

Date: January 25, 2012

By: /s/ RANDY MILNER
Name: Randy Milner
Title: Senior Vice President, General Counsel & Corporate Secretary

September 30,

NEWS RELEASE

Methanex Corporation

1800 - 200 Burrard St.

Vancouver, BC Canada V6C 3M1

Investor Relations: (604) 661-2600

http://www.methanex.com

For immediate release

METHANEX REPORTS FOURTH QUARTER RESULTS AND STRONGER EARNINGS IN 2011

JANUARY 25, 2012

For the fourth quarter of 2011, Methanex reported Adjusted EBITDA[1] of $133 million and net income attributable to Methanex shareholders of $64 million ($0.68 per share on a diluted basis). This compares with Adjusted EBITDA[1] of $111 million and net income attributable to Methanex shareholders of $62 million ($0.59 per share on a diluted basis) for the third quarter of 2011. For the year ended December 31, 2011, Methanex reported Adjusted EBITDA[1] of $427 million and net income attributable to Methanex shareholders of 201 million ($2.06 per share on a diluted basis[2]). This compares with Adjusted EBITDA[1] of $291 million and net income attributable to Methanex shareholders of $96 million ($1.03 per share on a diluted basis) for the year ended December 31, 2010.

Bruce Aitken, President and CEO of Methanex commented, Methanol demand and pricing has been relatively stable and we reported another good quarter of earnings. For 2011, we are also pleased to have reported record sales volumes and significantly higher earnings, as a result of a healthy methanol pricing environment and higher production due to the start up of the Egypt and Medicine Hat plants over the past year.

Mr. Aitken added, We have significantly more upside potential to our production and earnings. We recently announced the planned restart of a second plant in New Zealand in mid-2012 and we are aggressively pursuing other initiatives to increase the utilization of our Chile assets, including a project to relocate one of the idle plants to the U.S. Gulf Coast for start-up in the second half of 2014. The outlook for the industry also looks very attractive, as demand growth is expected to significantly exceed new capacity additions over the next few years.

Mr. Aitken concluded, With over US$300 million of cash on hand, an undrawn credit facility, a robust balance sheet, and strong cash flow generation, we are well positioned to invest in strategic opportunities to grow the Company, and continue to deliver on our commitment to return excess cash to shareholders.

A conference call is scheduled for January 26, 2012 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) 340-8018, or toll free at (866) 223-7781. A playback version of the conference call will be available for three weeks at (905) 694-9451, or toll free at (800) 408-3053. The passcode for the playback version is 2530127. There will be a simultaneous audio-only webcast of the conference call, which can be accessed from our website at www.methanex.com. The webcast will be available on our website for three weeks following the call.

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.

- more -

Forward-Looking information warning

This Fourth Quarter 2011 press release contains forward-looking statements with respect to us and the chemical industry. Refer to *Forward-Looking Information Warning* in the attached Fourth Quarter 2011 Management s Discussion and Analysis for more information.

1 *Adjusted EBITDA is a non-IFRS measure which does not have any standardized meaning prescribed by IFRS. Adjusted EBITDA represents the amount that is attributable to Methanex shareholders and is calculated by deducting the amount of Adjusted EBITDA associated with the 40% non-controlling interest in the methanol facility in Egypt. Commencing with this fourth quarter interim report, we have modified our definition of Adjusted EBITDA to exclude the mark-to-market impact of items which impact the comparability of our earnings from one period to another, which currently include only the mark-to-market impact of share-based compensation as a result of changes in our share price. Refer to Financial Results on page 4 for a discussion of this change and Additional Information Supplemental Non-IFRS Measures for a reconciliation to the most comparable IFRS measure.*

2 *For the year ended December 31, 2011, diluted net income per common share is $0.10 lower than basic net income per common share. The large difference between diluted and basic net income per common share is due to the basis for the calculation of diluted net income per common share differing from the accounting treatment for certain types of share-based compensation. See note 8 of the Company s condensed consolidated interim financial statements for the calculation of diluted net income per common share.*

-end-

For further information, contact:

Jason Chesko

Director, Investor Relations

Tel: 604.661.2600

September 30,	September 30,	September 30,
4	**Share Information**	**Investor Information**

Interim Report

For the

Three Months Ended December 31, 2011

At January 25, 2012 the Company had 93,264,955 common shares issued and outstanding and stock options exercisable for 3,425,099 additional common shares.

Methanex Corporation s common shares are listed for trading on the Toronto Stock Exchange under the symbol MX, on the Nasdaq Global Market under the symbol MEOH and on the foreign securities market of the Santiago Stock Exchange in Chile under the trading symbol Methanex.

Transfer Agents & Registrars

CIBC Mellon Trust Company

320 Bay Street

Toronto, Ontario, Canada M5H 4A6

Toll free in North America: 1-800-387-0825

All financial reports, news releases and corporate information can be accessed on our website at www.methanex.com.

Contact Information

Methanex Investor Relations
1800 - 200 Burrard Street
Vancouver, BC Canada V6C 3M1

E-mail: invest@methanex.com

Methanex Toll-Free:
1-800-661-8851

	September 30,	September 30, Three Months Ended	September 30,	September 30,	September 30, Years Ended
($ millions, except where noted)	**Dec 31 2011**	**Sep 30 2011**	**Dec 31 2010[7]**	**Dec 31 2011**	**Dec 31 2010[7]**
Production (thousands of tonnes) (attributable to Methanex shareholders)	**961**	1,035	913	**3,847**	3,540
Sales volumes (thousands of tonnes):					
Produced methanol (attributable to Methanex shareholders)	**1,052**	983	831	**3,853**	3,540
Purchased methanol	**644**	672	806	**2,815**	2,880
Commission sales [1]	**208**	235	151	**846**	509
Total sales volumes	**1,904**	1,890	1,788	**7,514**	6,929
Methanex average non-discounted posted price ($ per tonne) [2]	**456**	445	407	**440**	356
Average realized price ($ per tonne) [3]	**388**	377	348	**374**	306
Adjusted EBITDA (attributable to Methanex shareholders) [4]	**133**	111	88	**427**	291
Cash flows from operating activities	**158**	119	13	**480**	183
Adjusted cash flows from operating activities (attributable to Methanex shareholders) [5]	**122**	104	94	**392**	303
Net income attributable to Methanex shareholders	**64**	62	26	**201**	96
Basic net income per common share attributable to Methanex shareholders	**0.69**	0.67	0.28	**2.16**	1.04
Diluted net income per common share attributable to Methanex shareholders [6]	**0.68**	0.59	0.27	**2.06**	1.03

Common share information (millions of shares):					
Weighted average number of common shares	**93**	93	92	**93**	92
Diluted weighted average number of common shares	**94**	94	94	**94**	94
Number of common shares outstanding, end of period	**93**	93	93	**93**	93

[1] Commission sales represent volumes marketed on a commission basis related to the 36.9% of the Atlas methanol facility and 40% of the Egypt methanol facility that we do not own.

[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, divided by the total sales volumes of produced (attributable to Methanex shareholders) and purchased methanol.

[4] Adjusted EBITDA is a non-IFRS measure which does not have any standardized meaning prescribed by IFRS. Adjusted EBITDA represents the amount that is attributable to Methanex shareholders and is calculated by deducting the amount of Adjusted EBITDA associated with the 40% non-controlling interest in the methanol facility in Egypt. Commencing with this fourth quarter interim report, we have modified our definition of Adjusted EBITDA to exclude the mark-to-market impact of items which impact the comparability of our earnings from one period to another, which currently include only the mark-to-market impact of share-based compensation as a result of changes in our share price. Refer to Financial Results on page 4 for a discussion of this change and Additional Information - Supplemental Non-IFRS Measures for a reconciliation to the most comparable IFRS measure.

[5] Adjusted cash flows from operating activities is a non-IFRS measure which does not have any standardized meaning prescribed by IFRS. Adjusted cash flows from operating activities is calculated by deducting changes in non-cash working capital and the amount of cash flows from operating activities associated with the 40% non-controlling interest in the methanol facility in Egypt. Refer to Additional Information Supplemental Non-IFRS Measures for a reconciliation to the most comparable IFRS measure.

[6] For the year ended December 31, 2011, diluted net income per common share is $0.10 lower than basic net income per common share. The large difference between diluted and basic net income per common share is due to the basis for the calculation of diluted net income per common share differing from the accounting treatment for certain types of share-based compensation. See note 8 of the Company s condensed consolidated interim financial statements for the calculation of diluted net income per common share.

[7] These amounts have been restated in accordance with IFRS and have not been previously disclosed.

FOURTH QUARTER MANAGEMENT S DISCUSSION AND ANALYSIS

Except where otherwise noted, all currency amounts are stated in United States dollars. This Fourth Quarter 2011 Management s Discussion and Analysis (MD&A) dated January 25, 2012 for Methanex Corporation (the Company) should be read in conjunction with the Company s condensed consolidated interim financial statements for the period ended March 31, 2011, which were prepared in accordance with International Accounting Standards (IAS) 34, Interim Financial Reporting, as issued by the International Accounting Standards Board (IASB), as well as the 2010 Annual Consolidated Financial Statements and the MD&A included in the Methanex 2010 Annual Report, which were prepared in accordance with Canadian generally accepted accounting principles (Canadian GAAP). The Methanex 2010 Annual Report and additional information relating to Methanex is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov. For a discussion of the Company s adoption of International Financial Reporting Standards (IFRS), refer to page 12 of this MD&A.

PRODUCTION SUMMARY

(thousands of tonnes)	September 30, Annual Capacity [1]	September 30, 2011 Production	September 30, 2010 Production	September 30, Q4 2011 Production	September 30, Q3 2011 Production	September 30, Q4 2010 Production
Chile I, II, III and IV	**3,800**	**554**	935	**113**	116	208
Atlas (Trinidad) (63.1% interest)	**1,150**	**891**	884	**195**	170	266
Titan (Trinidad)	**900**	**711**	891	**180**	224	233
New Zealand [2]	**850**	**830**	830	**211**	209	206
Egypt (60% interest)	**760**	**532**		**132**	191	
Medicine Hat	**470**	**329**		**130**	125	
	7,930	**3,847**	3,540	**961**	1,035	913

1 The production 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.

2 The production capacity of New Zealand represents only our 0.85 million tonne per year Motunui facility that we restarted in late 2008. We recently announced our intention to restart a second Motunui facility in mid-2012 (refer to the New Zealand section on page 3 for more information).

Chile

For the year ended December 31, 2011, we produced 554,000 tonnes compared with 935,000 tonnes in 2010. We continue to operate our methanol facilities in Chile significantly below site capacity. This is primarily due to curtailments of natural gas supply from Argentina refer to the Management s Discussion and Analysis included in our 2010 Annual Report for more information.

During the fourth quarter of 2011, we produced 113,000 tonnes in Chile operating one plant at approximately 40% of capacity. This compares with 116,000 tonnes produced during the third quarter of 2011. Empresa Nacional del Petroleo (ENAP), the state-owned energy supplier, utilizes incremental natural gas during the winter season in southern Chile when residential demand is at its peak. We are working closely with ENAP to manage through the seasonality of gas demand with the objective of maintaining our operations throughout the winter season in 2012.

Our primary goal is to progressively increase production at our Chile site with natural gas from suppliers in Chile. We are pursuing investment opportunities with ENAP, GeoPark Chile Limited (GeoPark) and others to help accelerate natural gas exploration and development in southern Chile. We are working with ENAP to develop natural gas in the Dorado Riquelme block. Under the arrangement, we fund a 50% participation in the block and, as at December 31, 2011, we had contributed approximately $106 million. Over the past few years, we have also provided GeoPark with $57 million (of which approximately $40 million had been repaid at December 31, 2011) to support and accelerate GeoPark s natural gas exploration and development activities. GeoPark has agreed to supply us with all natural gas sourced from the Fell block under a ten-year exclusive supply arrangement that commenced in 2008. During the fourth quarter of 2011, approximately 75% of production at our Chilean facilities was produced with natural gas supplied from the Fell and Dorado Riquelme blocks.

Other investment activities are also supporting the acceleration of natural gas exploration and development in areas of southern Chile. Over the past few years, the government of Chile has completed international bidding rounds to assign oil

and natural gas exploration areas that lie close to our production facilities and announced the participation of several international oil and gas companies. For two of the exploration blocks, we are participating in a consortium with other international oil and gas companies with GeoPark as the operator. We have approximately a 15% participation in the consortium and at December 31, 2011, we had contributed $9 million for our share of the exploration costs.

While significant investments have been made in the last few years for natural gas exploration and development in southern Chile, the timelines for significant increases in gas production are much longer than we had originally anticipated and existing gas fields are experiencing declines. As a result, the short-term outlook for gas supply in Chile continues to be challenging and we are also examining the viability of other projects to increase the utilization of our Chilean assets. We are planning to relocate one of the idle Chile methanol plants with a capacity of approximately 1.0 million tonnes to the Gulf Coast area of the United States. We recently announced that we have secured land in Geismar, Louisiana and are progressing site-specific engineering works. We expect to make a final investment decision in Q3 2012 and the plant to be operational in the second half of 2014. We are also continuing to examine the viability of utilizing coal gasification as an alternative feedstock in Chile.

The future operating rate of our Chile site is primarily dependent on demand for natural gas for residential purposes, which is higher in the southern hemisphere winter, production rates from existing natural gas fields, and the level of natural gas deliveries from future exploration and development activities in southern Chile. We cannot provide assurance regarding the production rates from existing natural gas fields or that we, ENAP, GeoPark or others will be successful in the exploration and development of natural gas or that we will obtain any additional natural gas from suppliers in Chile on commercially acceptable terms. As a result, we cannot provide assurance in the level of natural gas supply or that we will be able to source sufficient natural gas to operate any capacity in Chile or that we will have sufficient future cash flows from Chile to support the carrying value of our Chilean assets and that this will not have an adverse impact on our results of operations and financial condition.

Trinidad

Our equity ownership of methanol facilities in Trinidad represents over 2.0 million tonnes of cost-competitive annual capacity. During the fourth quarter of 2011 we produced 375,000 tonnes compared with an operating capacity of 512,500 tonnes. As a result of an equipment failure in July 2011, our Atlas facility operated at approximately 70% of capacity throughout the fourth quarter. The plant was shut down for a maintenance outage to complete the repair in January 2012 which is expected to last approximately 40 days. In addition, production at our Titan facility was lower than capacity, primarily due to outages for minor repairs and lower gas deliveries. We continue to experience some natural gas curtailments to our Titan facility due to upstream outages. 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 site.

New Zealand

During the fourth quarter of 2011, we produced 211,000 tonnes compared with 209,000 tonnes during the third quarter of 2011. We are currently operating one 850,000 tonne per year plant at our Motunui facility in New Zealand.

We recently announced our intention to restart a second Motunui facility in mid-2012. The restart of this facility will add up to 650,000 tonnes of incremental capacity per annum to our New Zealand operations. In support of the restart, Methanex has entered into a ten-year gas supply agreement which is expected to supply up to half of the 1.5 million tonnes of annual capacity at the Motunui site.

We also have an additional 530,000 tonne per year plant at the nearby Waitara Valley site which remains idle. This facility provides additional potential to increase New Zealand production depending on the methanol supply and demand dynamics and the availability of economically priced natural gas.

Egypt

During the fourth quarter of 2011, the Egypt methanol facility (60% interest) produced 132,000 tonnes compared with 191,000 tonnes during the third quarter of 2011. We have a 60% interest in the facility and have marketing rights for 100% of the production.

In November 2011, civil unrest affected various industries near the plant in Damietta, Egypt. For the safety and security of our employees, we took the decision to temporarily curtail operations of the methanol plant. We restarted the facility in early December and since that time, the methanol facility in Egypt has operated well.

Medicine Hat

Our 470,000 tonne per year facility in Medicine hat, Alberta was restarted in late April 2011 and has continued to operate well since that time. During the fourth quarter of 2011, we produced 130,000 tonnes compared with 125,000 tonnes during the third quarter of 2011. We have a program in place to purchase natural gas on the Alberta gas market and we believe that the long term natural gas dynamics in North America will support the long term operation of this facility.

FINANCIAL RESULTS

For the fourth quarter of 2011 we recorded Adjusted EBITDA of $133 million and net income attributable to Methanex Corporation shareholders of $64 million ($0.69 basic net income per common share and $0.68 per share on a diluted basis). This compares with Adjusted EBITDA of $111 million and net income attributable to Methanex Corporation shareholders of $62 million ($0.67 basic net income per common share and $0.59 per share on a diluted basis) for the third quarter of 2011 and Adjusted EBITDA of $88 million and net income attributable to Methanex Corporation shareholders of $26 million ($0.28 basic net income per common share and $0.27 per share on a diluted basis) for the fourth quarter of 2010.

For the year ended December 31, 2011, we recorded Adjusted EBITDA of $427 million and net income attributable to Methanex Corporation shareholders of $201 million ($2.16 basic net income per common share and $2.06 per share on a diluted basis). This compares with Adjusted EBITDA of $291 million and net income attributable to Methanex Corporation shareholders of $96 million ($1.04 basic net income per common share and $1.03 per share on a diluted basis) during the same period in 2010.

We review our financial results by analyzing changes in following components:

($ millions)	September 30, Dec 31 2011	September 30, Three Months Ended Sep 30 2011	September 30, Dec 31 2010	September 30, Years Ended Dec 31 2011	September 30, Dec 31 2010
Adjusted EBITDA (attributable to Methanex shareholders)	$ 133	$ 111	$ 88	$ 427	$ 291
Mark-to-market impact of share-based compensation	$ (1)	$ 24	$ (15)	$ 21	$ (19)
Depreciation and amortization	$ (44)	$ (44)	$ (32)	$ (157)	$ (137)
Finance costs	$ (18)	$ (17)	$ (7)	$ (62)	$ (31)
Finance income and other expenses	$ (3)	$ (2)	$ 3	$ 2	$ 2
Income taxes	$ (12)	$ (19)	$ (11)	$ (56)	$ (35)

Adjusted EBITDA (attributable to Methanex shareholders)

Our operations consist of a single operating segment the production and sale of methanol. We review our results of operations by analyzing changes in the components of our adjusted earnings before interest, taxes, and depreciation and amortization (Adjusted EBITDA).

We own 60% of the 1.26 million tonne per year Egypt methanol facility and we account for this investment using consolidation accounting, which results in 100% of the revenues and expenses being included in our financial statements with the other investors interest in the methanol facility being presented as non-controlling interests. For purposes of reviewing our operations, we analyze Adjusted EBITDA by excluding the amounts associated with the other investors 40% non-controlling interest.

Commencing with this fourth quarter interim report, we have modified our definition of Adjusted EBITDA to exclude the mark-to-market impact of items which impact the comparability of our results from one period to another, which currently include only the mark-to-market impact of share-based compensation as a result of changes in our share price. We grant share-based awards as an element of compensation and, as more fully discussed on page 7, certain of these awards are marked to market each period with the changes in fair value recognized in earnings for the proportion of the service that has been rendered at the reporting date. We believe excluding the mark-to-market impact of share-based compensation as a result of changes in our share price will provide readers with a better measure of the Company s underlying ability to generate cash from operations and improve the comparability of our results from one period to another. A reconciliation of the change in the definition of Adjusted EBITDA is as follows:

	September 30,	September 30, Three Months Ended	September 30,	September 30, Years Ended	September 30,
($ millions)	Dec 31 2011	Sep 30 2011	Dec 31 2010	Dec 31 2011	Dec 31 2010
Adjusted EBITDA, as previously defined	$ 132	$ 135	$ 73	$ 448	$ 272
Mark-to-market impact on share-based compensation	1	(24)	15	(21)	19
Adjusted EBITDA	$ 133	$ 111	$ 88	$ 427	$ 291

For a further discussion of the definitions used in our Adjusted EBITDA analysis, refer to *How We Analyze Our Business on page 18.* Also, refer to the *Additional Information Supplemental Non-IFRS Measures* section on page 13 for a reconciliation to the most comparable IFRS measure.

The changes in Adjusted EBITDA resulted from changes in the following:

($ millions)	September 30, Q4 2011 compared with Q3 2011	September 30, Q4 2011 compared with Q4 2010	September 30, 2011 compared with 2010
Average realized price	$ 18	$ 70	$ 454
Sales volume	4	5	17
Total cash costs		(30)	(335)
	$ 22	$ 45	$ 136

Average realized price

	September 30,	September 30, Three Months Ended	September 30,	September 30,	September 30, Years Ended
($ per tonne, except where noted)	**Dec 31 2011**	**Sep 30 2011**	**Dec 31 2010**	**Dec 31 2011**	**Dec 31 2010**
Methanex average non-discounted posted price [1]	456	445	407	440	356
Methanex average realized price	388	377	348	374	306
Average discount	15%	15%	14%	15%	14%

1 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*.

During the fourth quarter of 2011, methanol demand remained stable, despite the ongoing concern around the global economy (refer to Supply/Demand Fundamentals section on page 10 for more information). Overall industry supply and demand conditions remained balanced and as a result, the pricing environment remained relatively stable. Our average non-discounted posted price for the fourth quarter of 2011 was $456 per tonne compared with $445 per tonne for the third quarter of 2011 and $407 per tonne for the fourth quarter of 2010. Our average realized price for the fourth quarter of 2011 was $388 per tonne compared with $377 per tonne for the third quarter of 2011 and $348 per tonne for the fourth quarter of 2010. The change in our average realized price for the fourth quarter of 2011 increased Adjusted EBITDA by $18 million compared with the third quarter of 2011 and increased Adjusted EBITDA by $70 million compared with the fourth quarter of 2010. Our average realized price for the year ended December 31, 2011 was $374 per tonne compared with $306 per tonne for the same period in 2010 and this increased Adjusted EBITDA by $454 million.

Sales volume

Total methanol sales volumes excluding commission sales volumes were higher in 2011 than 2010 and this increased Adjusted EBITDA for all periods presented. We increased our sales volumes in 2011 compared with 2010 primarily as a result of increased supply from the new Egypt and Medicine Hat methanol facilities.

Total cash costs

The primary driver of changes in our total cash costs are changes in the cost of methanol we produce at our facilities and changes in the cost of methanol we purchase from others. All of our production facilities except Medicine Hat are underpinned by natural gas purchase agreements with pricing terms that include base and variable price components. The variable component is adjusted in relation to changes in methanol prices above pre-determined prices at the time of production. We supplement our production with methanol produced by others through methanol offtake contracts and purchases on the spot market to meet customer needs and support our marketing efforts within the major global markets.

We have adopted the first-in, first-out method of accounting for inventories and it generally takes between 30 and 60 days to sell the methanol we produce or purchase. Accordingly, the changes in Adjusted EBITDA as a result of changes in Methanex-produced and purchased methanol costs will depend on changes in methanol pricing and the timing of inventory flows.

The impact on Adjusted EBITDA from changes in our cash costs are explained below:

($ millions)	**September 30, Q4 2011 compared with Q3 2011**	**September 30, Q4 2011 compared with Q4 2010**	**September 30, 2011 compared with 2010**
Methanex-produced methanol costs	$ (8)	$ (34)	$ (144)
Insurance recovery	17	17	17
Proportion of produced methanol sales	4	26	24
Purchased methanol costs	(6)	(30)	(200)
Logistics costs	(3)	(1)	(16)
Other, net	(4)	(8)	(16)
Change in Adjusted EBITDA	$	$ (30)	$ (335)

Methanex-produced methanol costs

We purchase natural gas for the Chile, Trinidad, Egypt and New Zealand methanol facilities under natural gas purchase agreements where the terms include a base price and a variable price component linked to the price of methanol. For all periods presented, changes in Methanex-produced methanol costs were primarily due to the impact of changes in methanol prices on our natural gas costs and the timing of inventory flows.

Insurance Recovery

We experienced an equipment failure at our Atlas facility in July 2011 and have operated this facility at approximately 70% of capacity since its restart. Our operations are covered by business interruption insurance and we have recorded the estimated insurance proceeds net of deductibles related to 2011 as a result of this event.

Proportion of produced methanol sales

The cost of purchased methanol is generally higher than the cost of produced methanol. Accordingly, an increase in the proportion of produced methanol sales results in a decrease in our overall cost structure for a given period. For the fourth quarter of 2011 compared with the third quarter of 2011, higher sales of produced methanol increased Adjusted EBITDA by $4 million. For the fourth quarter of 2011 compared with the fourth quarter of 2010, higher sales of produced methanol, primarily due to the impact of sales volumes from the Egypt and Medicine Hat facilities, increased Adjusted EBITDA by $26 million.

For the year ended December 31, 2011 compared with the same period in 2010, higher sales of produced methanol increased Adjusted EBITDA by $24 million. The impact of higher sales volumes from our Egypt and Medicine Hat facilities in 2011 was partially offset by lower sales of methanol produced at our Chile and Titan facilities.

Purchased methanol costs

Purchased methanol costs were higher for all periods presented primarily as a result of higher methanol pricing.

Logistics costs

For the year ended December 31, 2011 compared with same period in 2010, logistics costs were higher by $16 million due primarily to higher bunker fuel costs and fewer backhaul opportunities to recover our ocean vessel costs.

Other, net

For all periods presented, other costs were higher primarily as a portion of fixed manufacturing costs were charged directly to earnings rather than to inventory due to lower production at our facilities in Chile, Trinidad and Egypt as well as the impact of a weaker US dollar on the cost structure of our operations.

Mark-to-Market Impact of Share-based Compensation

We grant share-based awards as an element of compensation. Share-based compensation expense (recovery) includes an amount related to the grant-date fair value and a mark-to-market impact as a result of subsequent changes in the Company s share price. The grant-date fair value amount is included in Adjusted EBITDA and analyzed above. The mark-to-market impact of share-based compensation as a result of changes in the share price is excluded from Adjusted EBITDA and analyzed separately below.

	September 30,	September 30,	September 30,	September 30,	September 30,
		Three Months Ended		Years Ended	
	Q4 2011	**Q3 2011**	**Q4 2010**	**Dec 31, 2011**	**Dec 31, 2010**
Methanex Corporation share price [1]	**$ 22.82**	$ 20.84	$ 30.40	**$ 22.82**	$ 30.40
Grant-date fair value expense included in Adjusted EBITDA	**3**	3	3	**16**	17
Mark-to-market impact due to change in share price	**1**	(24)	15	**(21)**	19

Total share-based compensation expense (recovery)	**4**	(21)	18	**(5)**	36

[1] *US dollar share price of Methanex Corporation as quoted on NASDAQ Global Market on the last trading day of the respective period.*
Share-based awards granted include stock options, share appreciation rights, tandem share appreciation rights, deferred share units, restricted share units and performance share units.

For stock options, the cost is measured based on an estimate of the fair value at the date of grant using the Black-Scholes option pricing model and this grant-date fair value is recognized as compensation expense over the related service period with no subsequent re-measurement in fair value. Accordingly, share-based compensation expense associated with stock options will not vary significantly from period to period.

Commencing in 2010, we granted share appreciation rights (SARs) and tandem share appreciation rights (TSARs) to replace grants of stock options with the objective to reduce dilution to shareholders. SARs and TSARs are units that grant the holder the right to receive a cash payment upon exercise for the difference between the market price of the Company s common shares and the exercise price, which is determined at the date of grant. The fair value of SARs and TSARs are re-measured each quarter using the Black-Scholes option pricing model, which considers the market value of the Company s common shares on the last trading day of the quarter.

Deferred, restricted and performance share units are grants of notional common shares that are redeemable for cash upon vesting based on the market value of the Company s common shares and are non-dilutive to shareholders. Performance share units have an additional feature where the ultimate number of units that vest will be determined by the Company s total shareholder return in relation to a predetermined target over the period to vesting. The number of units that will ultimately vest will be in the range of 50% to 120% of the original grant. For deferred, restricted and performance share units, the fair value is initially measured at the grant date and subsequently re-measured based on the market value of the Company s common shares on the last trading day of each quarter.

For all the share-based awards, the grant-date fair value is recognized in earnings and Adjusted EBITDA over the related service period for the proportion of the service that has been rendered at each reporting date. Any mark-to-market impact as a result of subsequent changes in the share price are also recognized in earnings over the related service period for the proportion of the service that has been rendered at each reporting date but are excluded from Adjusted EBITDA.

Depreciation and Amortization

Depreciation and amortization was $44 million for the fourth and third quarter of 2011 and $32 million for the fourth quarter of 2010. Depreciation and amortization was $157 million for the year ended December 31, 2011 compared with $137 million in the same period in 2010. The increase in depreciation and amortization in 2011 compared with 2010 is primarily a result of the commencement of depreciation associated with the methanol facilities in Egypt (100% basis) and Medicine Hat and due to a portion of depreciation being charged directly to earnings rather than to inventory due to lower production from our Titan and Chile facilities.

Finance Costs

	September 30,	September 30, Three Months Ended	September 30,	September 30, Years Ended	September 30,
($ millions)	**Dec 31 2011**	**Sep 30 2011**	**Dec 31 2010**	**Dec 31 2011**	**Dec 31 2010**
Finance costs before capitalized interest	**$ 18**	$ 17	$ 17	**$ 69**	$ 69
Less capitalized interest			(10)	**(7)**	(38)
Finance costs	**$ 18**	$ 17	$ 7	**$ 62**	$ 31

Capitalized interest relates to interest costs capitalized during the construction of the 1.26 million tonne per year methanol facility in Egypt (100% basis). The Egypt methanol facility commenced production in mid-March 2011 and accordingly, we ceased capitalization of interest costs from this date.

Finance Income and Other Expenses

($ millions)	September 30, Three Months Ended Dec 31 2011	September 30, Sep 30 2011	September 30, Dec 31 2010	September 30, Years Ended Dec 31 2011	September 30, Dec 31 2010
Finance income and other expenses	**$ (3)**	$ (2)	$ 3	**$ 2**	$ 2

Finance income and other expenses for the fourth quarter of 2011 was an expense of $3 million compared with an expense of $2 million for the third quarter of 2011 and income of $3 million for the fourth quarter of 2010. Finance income and other expenses for the year ended December 31, 2011 was $2 million income compared with $2 million income for the year ended December 31, 2010. The change in finance income and other expenses for all periods presented was primarily due to the impact of changes in foreign exchange rates.

Income Taxes

The effective tax rate for the fourth quarter of 2011 was approximately 14% compared with approximately 20% for the third quarter of 2011. The effective tax rate for the year ended December 31, 2011 was 20% compared with 32% for the year ended December 31, 2010, excluding the impact of a gain on the sale of land and terminal assets in Kitimat, Canada recorded in 2010.

We earn the majority of our pre-tax earnings in Trinidad, Egypt, Chile, Canada and New Zealand. In Trinidad and Chile, the statutory tax rate is 35% and in Egypt, the statutory tax rate is 25%. Our Atlas facility in Trinidad has partial relief from corporation income tax until 2014. During the three months and year ended December 31, 2011, we earned a higher proportion of our consolidated income from methanol produced in Canada and New Zealand and a lower proportion of our consolidated income from methanol produced in Chile, and this contributed to a lower effective tax rate compared with the same periods in 2010. We have significant loss carryforwards in Canada and New Zealand which have not been recognized for accounting purposes.

In Chile the tax rate consists of a first tier tax that is payable when income is earned and a second tier tax that is due when earnings are distributed from Chile. The second tier tax is initially recorded as deferred income tax expense and is subsequently reclassified to current income tax expense when earnings are distributed.

SUPPLY/DEMAND FUNDAMENTALS

We estimate that methanol demand grew at approximately 6% in 2011 and is currently approximately 49 million tonnes on an annualized basis. Increases in demand have been driven by both traditional and energy derivatives in Asia (particularly in China). Entering the first quarter of 2012, despite continued concerns around the global economic outlook, we have not seen any significant impact on global methanol demand.

Traditional derivatives account for about two-thirds of global methanol demand and are correlated to industrial production.

Energy derivatives account for about one third of global methanol demand and over the last few years high energy prices have driven strong demand growth for methanol into energy applications such as gasoline blending, DME, and olefins production primarily in China. Methanol blending into gasoline in China has been particularly strong and we believe that future growth in this application is supported by regulatory changes in that country. Many provinces in China have implemented fuel blending standards, and an M85 (or 85% methanol) national standard took effect December 1, 2009. We believe demand potential into energy derivatives will be stronger in a high energy price environment.

Methanex Non-Discounted Regional Posted Prices [1]

(US$ per tonne)	September 30, Jan 2012	September 30, Dec 2011	September 30, Nov 2011	September 30, Oct 2011
United States	446	459	459	459
Europe [2]	411	418	429	439
Asia	440	470	470	470

[1] Discounts from our posted prices are offered to customers based on various factors.

[2] 320 for Q1 2012 (Q4 2011 320) converted to United States dollars.

During the fourth quarter of 2011, as a result of steady demand and planned and unplanned industry outages, market conditions and the pricing environment were relatively stable. Our average non-discounted price for January 2012 is approximately $434 per tonne and we recently announced our North America non-discounted price for February at $446 per tonne, which is unchanged from January.

Over the next few years, there is a modest level of new capacity expected to come on-stream relative to demand growth expectations. We recently announced that we are planning to restart an idle plant in New Zealand in mid-2012 that will add 0.65 million tonnes of capacity and relocate a plant from Chile with an approximate capacity of 1.0 million tonnes to Geismar, Louisiana which we expect to be operational in the second half of 2014. There is also a 0.85 million tonne plant expected to restart in Beaumont, Texas in 2012, a 0.8 million tonne plant expected to restart in Channelview, Texas in 2013, and a 0.7 million tonne plant expected to start up in Azerbaijan in 2014. We expect that production from new capacity in China will be consumed in that country and that higher cost production capacity in China will need to operate in order to satisfy demand growth.

LIQUIDITY AND CAPITAL RESOURCES

Consolidated cash flows from operating activities in the fourth quarter of 2011 were $158 million compared with $119 million for the third quarter of 2011 and $13 million for the fourth quarter of 2010. The change in consolidated cash flows from operating activities in the fourth quarter of 2011 compared with the third quarter of 2011 and the fourth quarter of 2010 is primarily a result of changes in Adjusted EBITDA and changes in non-cash working capital.

Adjusted cash flows from operating activities, which excludes the amounts associated with the 40% non-controlling interests in the methanol facility in Egypt and changes in non-cash working capital, were $122 million in the fourth quarter of 2011 compared with $104 million for the third quarter of 2011 and $94 million for the fourth quarter of 2010. The change in Adjusted cash flows from operating activities in the fourth quarter of 2011 compared with the third quarter of 2011 and the fourth quarter of 2010 is primarily a result of changes in Adjusted EBITDA. Refer to the *Additional Information Supplemental Non-IFRS Measures* section on page 13 for a reconciliation of Adjusted cash flows from operating activities to the most comparable IFRS measure.

During the fourth quarter of 2011, we paid a quarterly dividend of $0.17 per share, or $16 million.

The Egypt limited recourse debt facilities required that certain conditions associated with plant construction and commissioning be met by September 30, 2011 (project completion). Project completion was achieved during the third quarter of 2011. In connection with achieving project completion, we agreed to a covenant to complete by March 31, 2012 certain land title registrations and related mortgages which require action by Egyptian government entities and which we do not expect to complete by March 31, 2012 and will seek a waiver from the lenders. We do not believe that the finalization of these items is material. We cannot assure you that we will be able to obtain a waiver from the lenders. Refer to note 5 of the Company s condensed consolidated interim financial statements for further information.

At December 31, 2011, management believes the Company was in compliance with all of the covenants and default provisions related to its long-term debt obligations.

We have agreements in place to participate in or support natural gas exploration and development in southern Chile and during the fourth quarter of 2011, we spent $8 million to support these initiatives.

We operate in a highly competitive commodity industry and believe it is appropriate to maintain a conservative balance sheet and to maintain financial flexibility. Our cash balance at December 31, 2011 was $351 million including $37 million related to the non-controlling interest in Egypt. We have a strong balance sheet and an undrawn $200 million credit facility provided by highly rated financial institutions that was extended early in the third quarter of 2011 to mid-2015. We intend to refinance the $200 million notes due August 2012. We invest our cash only in highly rated instruments that have maturities of three months or less to ensure preservation of capital and appropriate liquidity. Our planned capital maintenance expenditure program directed towards major maintenance, turnarounds and catalyst changes for existing operations, is currently estimated to total approximately $60 million to the end of 2012. We also recently announced our intention to restart a second facility in New Zealand with an estimated future capital cost of $60 million.

We believe we are well positioned to meet our financial commitments and continue to invest to grow the Company.

SHORT-TERM OUTLOOK

Despite continued concerns regarding the health of the global economy, we have not seen a significant change in demand for methanol and pricing remains relatively stable entering the first quarter of 2012.

We increased our production in 2011 with the new 1.26 million tonne per year methanol facility in Egypt and our 470,000 tonne per year plant in Medicine Hat, Alberta. These facilities are operating well and have increased our earnings capability. Our Atlas facility is currently undergoing a maintenance outage after which we expect it to return to operating at full capacity . We also recently announced our intention to restart a second plant in New Zealand in mid-2012.

The methanol price will ultimately depend on the strength of the global economy, industry operating rates, global energy prices, new supply additions, the rate of industry restructuring and the strength of global demand. We believe that our financial position and financial flexibility, outstanding global supply network and competitive-cost position will provide a sound basis for Methanex to continue to be the leader in the methanol industry and to invest to grow the Company.

CONTROLS AND PROCEDURES

For the three months ended December 31, 2011, no changes were made in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Transition from Canadian generally accepted accounting principles (Canadian GAAP) to IFRS

The first quarter of 2011 ended March 31, 2011 with comparative financial results for 2010 was our first interim period reported under IFRS. All comparative figures in this fourth quarter interim report have been restated to be in accordance with IFRS, unless specifically noted otherwise.

Our financial statements were prepared in accordance with Canadian GAAP until December 31, 2010. While IFRS uses a conceptual framework similar to Canadian GAAP, there are significant differences in recognition, measurement and disclosures. In our MD&A in the 2010 Annual Report, we disclosed the significant impacts on transition to IFRS. The transition to IFRS had a cumulative impact on January 1, 2010 of $25 million to the shareholders equity, excluding the presentation reclassification of the non-controlling interest. The disclosure in our MD&A in the 2010 Annual Report is consistent with the impacts disclosed in the condensed consolidated interim financial statements. For a description of the significant accounting policies the Company has adopted under IFRS, including the estimates and judgments we consider most significant in applying those accounting policies, please refer to note 2 of the condensed consolidated interim financial statements included in the interim report for the three months ended March 31, 2011.

The adoption of IFRS resulted in some changes to the consolidated balance sheets and income statements of the Company previously reported under Canadian GAAP. To help users of the financial statements better understand the impact of the adoption of IFRS on the Company, we have provided reconciliations from Canadian GAAP to IFRS for total assets, liabilities, and equity, as well as net income and comprehensive income for the comparative reporting periods. Please refer to note 13 of the condensed consolidated interim financial statements for the reconciliations between IFRS and Canadian GAAP for the period ended December 31, 2010 and refer to note 18 of the condensed consolidated interim financial statements for the period ended March 31, 2011 for the reconciliations between IFRS and Canadian GAAP at the date of transition, January 1, 2010 and for the year ended December 31, 2010.

IFRS 1 First-time Adoption of International Financial Reporting Standards

Adoption of IFRS requires the application of IFRS 1, *First-time Adoption of International Financial Reporting Standards*, which provides guidance for an entity s initial adoption of IFRS. IFRS 1 gives entities adopting IFRS for the first time a number of optional exemptions and mandatory exceptions, in certain areas, to the general requirement for full retrospective application of IFRS. In our MD&A in the 2010 Annual Report, we disclosed the optional exemptions available under IFRS 1 that we elected on transition to IFRS. The elections as previously disclosed are consistent with the elections as disclosed in the condensed consolidated interim financial statements. Please refer to note 13 of the condensed consolidated interim financial statements for the period ended March 31, 2011 for a detailed description of the IFRS 1 exemptions we elected to apply.

IFRS Conversion

Our plan to convert our consolidated financial statements to IFRS at the change over date of January 1, 2011 with comparative financial results included a formal project governance structure that included the Audit, Finance and Risk Committee, senior management, and an IFRS steering committee to monitor progress and review and approve recommendations. The IFRS transition plan progressed according to schedule and was comprehensive and addressed topics such as the impact of IFRS on accounting policies and implementation decisions, infrastructure, business activities, compensation matters and control activities.

Anticipated changes to IFRS

Consolidation and Joint Arrangement Accounting

In May 2011, the IASB issued new accounting standards related to consolidation and joint arrangement accounting. The IASB has revised the definition of control, which is a criterion for consolidation accounting. In addition, changes to IFRS in the accounting for joint arrangements were issued which, under certain circumstances, removed the option for proportionate consolidation accounting so that the equity method of accounting for such interests would need to be applied. The impact of applying consolidation accounting or equity accounting does not result in any change to net earnings or shareholders equity, but would result in a significant presentation impact. We are currently assessing the impact of these standards on our financial statements. We currently account for our 63.1% interest in Atlas Methanol Company using proportionate consolidation accounting and this represents the most significant potential change under these new standards. The effective date for these standards is for periods commencing on or after January 1, 2013, with earlier adoption permitted.

Leases

As part of their global conversion project, the International Accounting Standards Board (IASB) and the U.S. Financial Accounting Standards Board (FASB) issued a joint Exposure Draft in 2010 proposing that lessees would be required to recognize all leases on the statement of financial position. We have a fleet of ocean-going vessels under time charter agreements with terms of up to 15 years, which are currently accounted for as operating leases. The proposed rules would require these time charter agreements to be recorded on the Consolidated Statements of Financial Position, resulting in a material increase to total assets and liabilities. The IASB and FASB currently expect to issue a re-exposed draft in 2012.

ADDITIONAL INFORMATION SUPPLEMENTAL NON-IFRS MEASURES

In addition to providing measures prepared in accordance with International Financial Reporting Standards (IFRS), we present certain supplemental non-IFRS measures. These are Adjusted EBITDA and Adjusted cash flows from operating activities. These measures do not have any standardized meaning prescribed by IFRS and therefore are unlikely to be comparable to similar measures presented by other companies. These supplemental non-IFRS measures are provided to assist readers in determining our ability to generate cash from operations. We believe these measures are useful in assessing operating performance and liquidity of the Company s ongoing business on an overall basis. We also believe Adjusted EBITDA is frequently used by securities analysts and investors when comparing our results with those of other companies.

These measures should be considered in addition to, and not as a substitute for, net income, cash flows and other measures of financial performance and liquidity reported in accordance with IFRS.

Adjusted EBITDA (attributable to Methanex shareholders)

Adjusted EBITDA differs from the most comparable IFRS measure, cash flows from operating activities, because it does not include changes in non-cash working capital, other cash payments related to operating activities, share-based compensation excluding mark-to-market impact, other non-cash items, taxes paid, finance income and other expenses, and Adjusted EBITDA associated with the 40% non-controlling interest in the methanol facility in Egypt.

The following table shows a reconciliation of cash flows from operating activities to Adjusted EBITDA:

($ thousands)	September 30, Dec 31 2011	September 30, Three Months Ended Sep 30 2011	September 30, Dec 31 2010	September 30, Years Ended Dec 31 2011	September 30, Dec 31 2010
Cash flows from operating activities	**$ 158,434**	$ 119,119	$ 12,720	**$ 479,707**	$ 182,546
Add (deduct):					
Net (income) loss attributable to non-controlling interests	**(9,249)**	(12,281)	199	**(26,674)**	1,990
Changes in non-cash working capital	**(18,851)**	5,722	81,472	**(35,388)**	120,618
Other cash payments, including share-based compensation	**1,484**	1,823	164	**10,303**	6,049
Share-based compensation excluding mark-to market impact [1]	(2,653)	(3,254)	(2,982)	(16,349)	(16,746)
Other non-cash items	**(4,408)**	2,372	(770)	**(3,459)**	(8,047)
Income taxes paid	**13,935**	4,992	159	**46,331**	9,090
Finance income and other expenses	**2,891**	1,585	(2,587)	**(1,667)**	(2,454)
Non-controlling interests adjustment [2]	**(8,160)**	(9,046)	(573)	**(25,455)**	(2,043)
Adjusted EBITDA (attributable to Methanex shareholders)	**$ 133,423**	$ 111,032	$ 87,802	**$ 427,349**	$ 291,003

[1] *This adjustment represents a change to the definition of Adjusted EBITDA. See analysis of the change on page 5.*

[2] *This adjustment represents finance costs, income tax expense, and depreciation and amortization associated with the 40% non-controlling interest in the methanol facility in Egypt.*

Adjusted Cash Flows from Operating Activities (attributable to Methanex shareholders)

Adjusted cash flows from operating activities differs from the most comparable IFRS measure, cash flows from operating activities, because it does not include changes in non-cash working capital and cash flows associated with the 40% non-controlling interest in the methanol facility in Egypt.

The following table shows a reconciliation of cash flows from operating activities to adjusted cash flows from operating activities:

($ thousands)	September 30, Dec 31 2011	September 30, Three Months Ended Sep 30 2011	September 30, Dec 31 2010	September 30, Years Ended Dec 31 2011	September 30, Dec 31 2010
Cash flows from operating activities	**$ 158,434**	$ 119,119	$ 12,720	**$ 479,707**	$ 182,546
Add (deduct) non-controlling interest adjustment:					
Net (income) loss	**(9,249)**	(12,281)	199	**(26,674)**	1,990
Non-cash items	**(8,359)**	(8,992)	(569)	**(25,245)**	(2,024)
Changes in non-cash working capital	**(18,851)**	5,722	81,472	**(35,388)**	120,618
Adjusted cash flows from operating activities (attributable to Methanex shareholders)	**$ 121,975**	$ 103,568	$ 93,822	**$ 392,400**	$ 303,130

QUARTERLY FINANCIAL DATA (UNAUDITED)

A summary of selected financial information for the prior eight quarters is as follows:

	September 30,	September 30,	September 30,	September 30,
		Three Months Ended		
($ thousands, except per share amounts)	Dec 31 2011	Sep 30 2011	Jun 30 2011	Mar 31 2011
Revenue	$ 696,499	$ 669,702	$ 622,829	$ 619,007
Net income[2]	63,871	62,316	40,529	34,610
Net income before unusual item[2]	63,871	62,316	40,529	34,610
Basic net income per common share[2]	0.69	0.67	0.44	0.37
Basic net income per common share before unusual item[2]	0.68	0.67	0.44	0.37
Diluted net income per common share[2]	0.69	0.59	0.43	0.37
Diluted net income per common share before unusual item[2]	0.68	0.59	0.43	0.37

	September 30,	September 30,	September 30,	September 30,
		Three Months Ended		
($ thousands, except per share amounts)	Dec 31 2010 [1]	Sep 30 2010 [1]	Jun 30 2010 [1]	Mar 31 2010 [1]
Revenue	$ 570,337	$ 480,997	$ 448,543	$ 466,706
Net income [2]	25,508	28,662	14,804	27,045
Net income before unusual item[2]	25,508	6,439	14,804	27,045
Basic net income per common share[2]	0.28	0.31	0.16	0.29
Basic net income per common share before unusual item[2]	0.27	0.07	0.16	0.29
Diluted net income per common share[2]	0.28	0.31	0.15	0.29
Diluted net income per common share before unusual item[2]	0.27	0.07	0.15	0.29

[1] *These amounts have been restated in accordance with IFRS.*
[2] *Attributable to Methanex Corporation shareholders.*

Forward-Looking information warning

This Fourth Quarter 2011 Management s Discussion and Analysis (MD&A) as well as comments made during the Fourth Quarter 2011 investor conference call contain forward-looking statements with respect to us and our industry. Statements that include the words believes, expects, may, will, should, intends, plans, potential, estimates, anticipates, or other comparable terminology and similar statements 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 and timing for start-up of the same,
- expected shut downs (either temporary or permanent) or re-starts of existing methanol supply (including our own facilities), including, without limitation, timing and length of planned maintenance outages,
- expected methanol and energy prices,
- expected levels, timing and availability of economically-priced natural gas supply to each of our plants, including without limitation, levels of natural gas supply from investments in natural gas exploration and development in Chile and New Zealand,
- capital committed by third parties towards future natural gas exploration and development,
- expected capital expenditures, including without limitation, those to support natural gas exploration and development for our plants and the restart of our idled methanol facilities,
- anticipated production rates of our plants, including without limitation, our Chilean facilities, the new methanol plant in Egypt and the restarted Motunui 1 facility,
- expected operating costs, including natural gas feedstock costs and logistics costs,
- expected tax rates or resolutions to tax disputes,
- expected cash flows and earnings capability,
- ability to meet covenants or obtain waivers associated with our long-term debt obligations, including without limitation, the Egypt limited recourse debt facilities which have conditions associated with finalization of certain land title registration and related mortgages which require actions by Egyptian governmental entities,
- availability of committed credit facilities and other financing,

- shareholder distribution strategy and anticipated distributions to shareholders,
- commercial viability of, or ability to execute, future projects, plant restarts, capacity expansions, plant relocations, or other business initiatives or opportunities,
- 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,
- expected actions of governments, gas suppliers, courts, tribunals or other third parties, and
- expected impact on our results of operations in Egypt and our financial condition as a consequence of actions taken by the Government of Egypt and its agencies.

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:

- supply of, demand for, and price of, methanol, methanol derivatives, natural gas, oil and oil derivatives,
- success of natural gas exploration in Chile and New Zealand and our ability to procure economically priced natural gas in Chile, New Zealand and Canada,
- production 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, governmental approvals related to natural gas exploration rights, rights to purchase natural gas or 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,
- availability of committed credit facilities and other financing,
- global and regional economic activity (including industrial production levels),

- absence of a material negative impact from major natural disasters,
- absence of a material negative impact from changes in laws or regulations,
- accuracy and sustainability of opinions provided by our legal, accounting and other professional advisors,
- absence of 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, 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, oil and oil derivatives,
- the success of natural gas exploration and development activities in southern Chile and New Zealand and our ability to obtain any additional gas in Chile, New Zealand, and Canada on commercially acceptable terms,
- the ability to successfully carry out corporate initiatives and strategies,
- actions of competitors, suppliers, and financial institutions,
- actions of governments and governmental authorities, including without limitation, implementation of policies or other measures that could impact the supply or demand for methanol or its derivatives,
- changes in laws or regulations,
- import or export restrictions, anti-dumping measures, increases in duties, taxes and government royalties, and other actions by governments that may adversely affect our operations or existing contractual arrangements,
- world-wide economic conditions, and
- other risks described in our 2010 Management s Discussion and Analysis and this Fourth Quarter 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.

HOW WE ANALYZE OUR BUSINESS

Our operations consist of a single operating segment the production and sale of methanol. We review our results of operations by analyzing changes in the components of our adjusted earnings before interest, taxes, depreciation and amortization (Adjusted EBITDA) (refer to the *Additional Information Supplemental Non-IFRS Measures* section on page 13 for a reconciliation to the most comparable IFRS measure), mark-to-market impact of share-based compensation, depreciation and amortization, finance costs, finance income and other expenses, and income taxes.

In addition to the methanol that we produce at our facilities (Methanex-produced methanol), we also purchase and re-sell methanol produced by others (purchased methanol) and we sell methanol on a commission basis. We analyze the results of all methanol sales together, excluding commission sales volumes. The key drivers of change in our Adjusted EBITDA are average realized price, cash costs and sales volume which are defined and calculated as follows:

PRICE	The change in our Adjusted EBITDA as a result of changes in average realized price is calculated as the difference from period to period in the selling price of methanol multiplied by the current period total methanol sales volume excluding commission sales volume plus the difference from period to period in commission income.
CASH COST	The change in our Adjusted EBITDA as a result of changes in cash costs is calculated as the difference from period to period in cash costs per tonne multiplied by the current period total methanol sales volume excluding commission sales volume. The cash costs per tonne is the weighted average of the cash cost per tonne of Methanex-produced methanol and the cash cost per tonne of purchased methanol. The cash cost per tonne of Methanex-produced methanol includes absorbed fixed cash costs per tonne and variable cash costs per tonne. The cash cost per tonne of purchased methanol consists principally of the cost of methanol itself. In addition, the change in our Adjusted EBITDA as a result of changes in cash costs includes the changes from period to period in unabsorbed fixed production costs, consolidated selling, general and administrative expenses and fixed storage and handling costs.
VOLUME	The change in our Adjusted EBITDA as a result of changes in sales volume is calculated as the difference from period to period in total methanol sales volume excluding commission sales volumes multiplied by the margin per tonne for the prior period. The margin per tonne for the prior period is the weighted average margin per tonne of Methanex-produced methanol and margin per tonne of purchased methanol. The margin per tonne for Methanex-produced methanol is calculated as the selling price per tonne of methanol less absorbed fixed cash costs per tonne and variable cash costs per tonne. The margin per tonne for purchased methanol is calculated as the selling price per tonne of methanol less the cost of purchased methanol per tonne.

We own 63.1% of the Atlas methanol facility and market the remaining 36.9% through a commission offtake agreement. We account for this investment using proportionate consolidation which results in 63.1% of the revenues and expenses being included in our financial statements with the remaining 36.9% portion included as commission income.

We own 60% of the 1.26 million tonne per year Egypt methanol facility and market the remaining 40% through a commission offtake agreement. We account for this investment using consolidation accounting, which results in 100% of the revenues and expenses being included in our financial statements with the other investors interest in the methanol facility being presented as non-controlling interests . For purposes of analyzing our results, we analyze Adjusted EBITDA and Adjusted cash flows from operating activities excluding the amounts associated with the other investors 40% non-controlling interest and include these results in commission income on a consistent basis with how we present the Atlas facility.

Methanex Corporation

Consolidated Statements of Income *(unaudited)*

(thousands of U.S. dollars, except number of common shares and per share amounts)

	Three Months Ended		Years Ended	
	September 30, Dec 31 2011	September 30, Dec 31 2010	September 30, Dec 31 2011	September 30, Dec 31 2010
Revenue	**$ 696,499**	$ 570,337	**$ 2,608,037**	$ 1,966,583
Cost of sales and operating expenses (note 6)	**(546,873)**	(497,336)	**(2,107,320)**	(1,694,865)
Depreciation and amortization (note 6)	**(43,558)**	(31,694)	**(156,667)**	(137,214)
Gain on sale of Kitimat assets				22,223
Operating income	**106,068**	41,307	**344,050**	156,727
Finance costs (note 7)	**(17,868)**	(7,396)	**(61,797)**	(30,648)
Finance income and other expenses	**(2,891)**	2,587	**1,667**	2,454
Profit before income tax expense	**85,309**	36,498	**283,920**	128,533
Income tax expense:				
Current	**(8,897)**	(10,314)	**(36,241)**	(29,463)
Deferred	**(3,292)**	(875)	**(19,679)**	(5,041)
	(12,189)	(11,189)	**(55,920)**	(34,504)
Net income	**$ 73,120**	$ 25,309	**$ 228,000**	$ 94,029
Attributable to:				
Methanex Corporation shareholders	**63,871**	25,508	**201,326**	96,019
Non-controlling interests	**9,249**	(199)	**26,674**	(1,990)
	$ 73,120	$ 25,309	**$ 228,000**	$ 94,029
Income for the period attributable to Methanex Corporation shareholders				
Basic net income per common share (note 8)	**$ 0.69**	$ 0.28	**$ 2.16**	$ 1.04
Diluted net income per common share (note 8)	**$ 0.68**	$ 0.27	**$ 2.06**	$ 1.03
Basic net income per common share before unusual item (note 8)	**$ 0.69**	$ 0.28	**$ 2.16**	$ 0.80
Diluted net income per common share before unusual item (note 8)	**$ 0.68**	$ 0.27	**$ 2.06**	$ 0.79
Weighted average number of common shares outstanding	**93,239,059**	92,347,561	**93,026,482**	92,218,320
Diluted weighted average number of common shares outstanding	**94,236,703**	93,951,536	**94,360,956**	93,509,799

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation

Consolidated Statements of Comprehensive Income *(unaudited)*

(thousands of U.S. dollars, except number of common shares and per share amounts)

	September 30, Three Months Ended Dec 31 2011	September 30, Dec 31 2010	September 30, Years Ended Dec 31 2011	September 30, Dec 31 2010
Net income	**$ 73,120**	$ 25,309	**$ 228,000**	$ 94,029
Other comprehensive income (loss):				
Change in fair value of forward exchange contracts, net of tax	**361**		**326**	
Change in fair value of interest rate swap contracts, net of tax	**(157)**	3,954	**(3,764)**	(25,985)
Realized loss on interest rate swap reclassified to interest expense	**3,995**		**12,816**	
Realized loss on Interest rate swap reclassified to property, plant and equipment			**7,279**	15,682
Actuarial losses on defined benefit pension plans, net of tax	**(10,258)**	(1,139)	**(10,258)**	(1,139)
	(6,059)	2,815	**6,399**	(11,442)
Comprehensive income	**$ 67,061**	$ 28,124	**$ 234,399**	$ 82,587
Attributable to:				
Methanex Corporation shareholders	**56,275**	26,742	**201,193**	88,697
Non-controlling interests	**10,786**	1,382	**33,206**	(6,110)
	$ 67,061	$ 28,124	**$ 234,399**	$ 82,587

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation

Consolidated Statements of Financial Position *(unaudited)*

(thousands of U.S. dollars)

	September 30, Dec 31 2011	September 30, Dec 31 2010
ASSETS		
Current assets:		
Cash and cash equivalents	**$ 350,711**	$ 193,794
Trade and other receivables	**378,430**	320,027
Inventories (note 2)	**281,015**	229,657
Prepaid expenses	**24,465**	26,877
	1,034,621	770,355
Non-current assets:		
Property, plant and equipment (note 3)	**2,233,023**	2,258,576
Other assets	**125,931**	111,762
	2,358,954	2,370,338
	$ 3,393,575	$ 3,140,693
LIABILITIES AND SHAREHOLDERS EQUITY		
Current liabilities:		
Trade, other payables and accrued liabilities	**$ 327,130**	$ 259,039
Current maturities on long-term debt (note 5)	**251,107**	49,965
Current maturities on finance leases	**6,713**	11,570
Current maturities on other long-term liabilities	**18,031**	9,677
	602,981	330,251
Non-current liabilities:		
Long-term debt (note 5)	**652,148**	896,976
Finance leases	**55,979**	67,842
Other long-term liabilities	**178,172**	140,570
Deferred income tax liabilities	**302,332**	295,431
	1,188,631	1,400,819
Equity:		
Capital stock	**455,434**	440,092
Contributed surplus	**22,281**	25,393
Retained earnings	**942,978**	813,819
Accumulated other comprehensive loss	**(15,968)**	(26,093)
Shareholders equity	**1,404,725**	1,253,211
Non-controlling interests	**197,238**	156,412
Total equity	**1,601,963**	1,409,623
	$ 3,393,575	$ 3,140,693

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation

Consolidated Statements of Changes in Equity *(unaudited)*

(thousands of U.S. dollars, except number of common shares)

	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx	xxxxxx
	Number of Common Shares	**Capital Stock**	**Contributed Surplus**	**Retained Earnings**	**Accumulated Other Comprehensive Loss**	**Shareholders Equity**	**Non-Controlling Interests**	**Total Equity**
Balance, January 1, 2010	92,108,242	$ 427,792	$ 26,981	$ 776,139	$ (19,910)	$ 1,211,002	$ 137,272	$ 1,348,274
Net income (loss)				96,019		96,019	(1,990)	94,029
Other comprehensive loss				(1,139)	(6,183)	(7,322)	(4,120)	(11,442)
Compensation expense recorded for stock options			1,475			1,475		1,475
Issue of shares on exercise of stock options	523,780	9,237				9,237		9,237
Reclassification of grant date fair value on exercise of stock options		3,063	(3,063)					
Dividend payments to Methanex Corporation shareholders				(57,200)		(57,200)		(57,200)
Distributions to non-controlling interests							(750)	(750)
Equity contributions by non-controlling interests							26,000	26,000
Balance, December 31, 2010	92,632,022	440,092	25,393	813,819	(26,093)	1,253,211	156,412	1,409,623
Net income				**201,326**		**201,326**	**26,674**	**228,000**
Other comprehensive income (loss)				**(10,258)**	**10,125**	**(133)**	**6,532**	**6,399**
Compensation expense recorded for stock options			**837**			**837**		**837**
Issue of shares on exercise of stock options	**615,733**	**11,393**				**11,393**		**11,393**
Reclassification of grant date fair value on exercise of stock options		**3,949**	**(3,949)**					
Dividend payments to Methanex Corporation shareholders				**(61,909)**		**(61,909)**		**(61,909)**
Distributions to non-controlling interests							**(11,580)**	**(11,580)**
Equity contributions by non-controlling interests							**19,200**	**19,200**
Balance, December 31, 2011	**93,247,755**	**$ 455,434**	**$ 22,281**	**$ 942,978**	**$ (15,968)**	**$ 1,404,725**	**$ 197,238**	**$ 1,601,963**

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation

Consolidated Statements of Cash Flows *(unaudited)*

(thousands of U.S. dollars)

	September 30, Three Months Ended Dec 31 2011	September 30, Three Months Ended Dec 31 2010	September 30, Years Ended Dec 31 2011	September 30, Years Ended Dec 31 2010
CASH FLOWS FROM OPERATING ACTIVITIES				
Net income	**$ 73,120**	$ 25,309	**$ 228,000**	$ 94,029
Add (deduct) non-cash items:				
Depreciation and amortization	**43,558**	31,694	**156,667**	137,214
Gain on sale of Kitimat assets				(22,223)
Income tax expense	**12,189**	11,189	**55,920**	34,504
Share based compensation	**3,859**	18,157	**(4,890)**	36,084
Finance costs	**17,868**	7,396	**61,797**	30,648
Other	**4,408**	770	**3,459**	8,047
Income taxes paid	**(13,935)**	(159)	**(46,331)**	(9,090)
Other cash payments, including share-based compensation	**(1,484)**	(164)	**(10,303)**	(6,049)
Cash flows from operating activities before undernoted	**139,583**	94,192	**444,319**	303,164
Changes in non-cash working capital (note 10)	**18,851**	(81,472)	**35,388**	(120,618)
	158,434	12,720	**479,707**	182,546
CASH FLOWS FROM FINANCING ACTIVITIES				
Dividend payments	**(15,852)**	(14,331)	**(61,909)**	(57,200)
Interest paid, including interest rate swap settlements	**(5,062)**	(6,741)	**(60,467)**	(63,704)
Change in project finance reserve accounts	**3,918**	372	**(27,291)**	372
Repayment of limited recourse debt	**(8,133)**	(7,628)	**(49,650)**	(30,991)
Equity contributions by non-controlling interests		7,600	**19,200**	26,000
Distributions to non-controlling interests	**(6,989)**		**(8,239)**	(750)
Proceeds from limited recourse debt			**2,700**	67,515
Proceeds on issue of shares on exercise of stock options	**370**	7,837	**11,393**	9,237
Repayment of finance leases, including other long term liabilities	**(1,574)**	(2,858)	**(5,964)**	(11,583)
	(33,322)	(15,749)	**(180,227)**	(61,104)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of assets		31,771		31,771
Property, plant and equipment	**(35,171)**	(37,420)	**(127,524)**	(122,082)
Oil and gas assets	**(8,329)**	(5,403)	**(30,098)**	(24,233)
GeoPark repayments		14,531	**7,551**	20,227
Other assets		(307)		(769)
Changes in non-cash working capital related to investing activities (note 10)	**8,124**	1,812	**7,508**	(2,350)
	(35,376)	4,984	**(142,563)**	(97,436)
Increase in cash and cash equivalents	**89,736**	1,955	**156,917**	24,006

Cash and cash equivalents, beginning of period		**260,975**		191,839		**193,794**		169,788
Cash and cash equivalents, end of period	**$**	**350,711**	$	193,794	**$**	**350,711**	$	193,794

See accompanying notes to condensed consolidated interim financial statements.

Methanex Corporation

Notes to Condensed Consolidated Interim Financial Statements *(unaudited)*

Except where otherwise noted, tabular dollar amounts are stated in thousands of U.S. dollars.

1. Basis of Presentation:

Methanex Corporation (the Company) is an incorporated entity with corporate offices in Vancouver, Canada. The Company s operations consist of the production and sale of methanol, a commodity chemical. The Company is the world s largest supplier of methanol to the major international markets of Asia Pacific, North America, Europe and Latin America.

These condensed consolidated interim financial statements are prepared in accordance with International Accounting Standards (IAS) 34, *Interim Financial Reporting,* as issued by the International Accounting Standards Board (IASB) on a basis consistent with the significant accounting policies disclosed in note 2 of the March 31, 2011 interim financial statements and therefore should be read in conjunction with the condensed consolidated interim financial statements for the period ended March 31, 2011. These condensed consolidated interim financial statements are part of the period covered by the Company s first International Financial Reporting Standards (IFRS) consolidated financial statements for the year ending December 31, 2011 and therefore IFRS 1, *First Time Adoption of IFRS* has been applied. The condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and were approved and authorized for issue by the Audit, Finance & Risk Committee of the Board of Directors on January 25, 2012.

The Company s condensed consolidated interim financial statements were prepared in accordance with accounting principles generally accepted in Canada (Canadian GAAP) until December 31, 2010. The period ended March 31, 2011, with comparative results for 2010, was the Company s first IFRS condensed consolidated interim financial statements. Canadian GAAP differs from IFRS in some areas and accordingly, the significant accounting policies applied in the preparation of these condensed consolidated interim financial statements have been consistently applied to all periods presented except in instances where IFRS 1 either requires or permits an exemption. An explanation of how the transition from Canadian GAAP to IFRS has affected the reported consolidated statements of income, comprehensive income, financial position, and cash flows of the Company for the period ended December 31, 2010 is provided in note 13. This note includes information on the provisions of IFRS 1 and the exemptions that the Company elected to apply at the date of transition, January 1, 2010, and reconciliations of equity, net income and comprehensive income for the comparative period ended December 31, 2010. For a summary of the impact of transition from Canadian GAAP to IFRS at the date of transition, January 1, 2010, as well as for the year ended December 31, 2010, refer to note 18 of the condensed consolidated interim financial statements for the first quarter of 2011 ended March 31, 2011.

These condensed consolidated interim financial statements include the Egypt methanol facility on a consolidated basis, with the other investors 40% share presented as non-controlling interests, and our proportionate share of the Atlas methanol facility.

2. Inventories:

Inventories are valued at the lower of cost, determined on a first-in first-out basis, and estimated net realizable value. The amount of inventories included in cost of sales and operating expenses and depreciation and amortization for the three months and year ended December 31, 2011 is $539 million (2010 $451 million) and $2,052 million (2010 $1,598 million), respectively.

3. Property, plant and equipment:

	September 30, Buildings, Plant Installations & Machinery	September 30, Oil & Gas Properties	September 30, Other	September 30, Total
Cost at December 31, 2011	**$ 3,218,909**	**$ 77,486**	**$ 88,642**	**$ 3,385,037**
Accumulated depreciation at December 31, 2011	**1,078,253**	**32,990**	**40,771**	**1,152,014**
Net book value at December 31, 2011	**$ 2,140,656**	**$ 44,496**	**$ 47,871**	**$ 2,233,023**
Cost at December 31, 2010	$ 3,097,928	$ 54,049	$ 116,203	$ 3,268,180
Accumulated depreciation at December 31, 2010	929,079	20,092	60,433	1,009,604
Net book value at December 31, 2010	$ 2,168,849	$ 33,957	$ 55,770	$ 2,258,576

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. To the extent that methanol facilities in a particular location are interdependent as a result of common infrastructure and/or feedstock from shared sources that can be shared within a facility location, assets are grouped based on site locations as a single cash-generating unit. The four methanol facilities at the Company s Chile site, the Chile oil and gas properties included in the table above, and the Chile oil and gas assets accounted for as Other Assets are considered as a single cash generating unit (Chile cash-generating unit) and production from the site was lower than expected in 2011 as a result of lower natural gas deliveries. As a consequence, the carrying value of the Chile cash-generating unit, being $650 million on a pre-tax basis and $460 million on a post-tax basis, was tested for recoverability.

Recoverability was tested by comparing the carrying value of the Chile cash-generating unit to estimated pre-tax fair value, which was determined by measuring the pre-tax discounted cash flows expected to be generated from the assets over their estimated useful life. There are two key variables that impact the estimate of future cash flows: (1) the methanol price and (2) the price and availability of natural gas feedstock. Short-term methanol price estimates were based on current supply and demand fundamentals and current methanol prices. Long-term methanol price estimates were based on the Company s view of long-term supply and demand and consideration was given to many factors, including, but not limited to, estimates of global industrial production rates, energy prices, changes in general economic conditions, future global methanol production capacity, industry operating rates and the global industry cost structure. The Company s estimate of the price and availability of natural gas took into consideration the current contracted terms for supply to the methanol facilities, as well as factors influencing the exploration and development of natural gas in southern Chile.

The estimated future cash flows were discounted to a present value using a pre-tax discount rate based on the Company s weighted average cost of capital. Based on the test performed, the carrying value of the Company s Chile cash-generating unit is recoverable.

4. Interest in Atlas joint venture:

The Company has a 63.1% joint venture interest in Atlas Methanol Company (Atlas). Atlas owns a 1.7 million tonne per year methanol production facility in Trinidad. Included in the condensed consolidated interim financial statements are the following amounts representing the Company s proportionate interest in Atlas:

	September 30, Dec 31 2011	September 30, Dec 31 2010
Consolidated Statements of Financial Position		
Cash and cash equivalents	**$ 9,266**	$ 10,676
Other current assets	**92,259**	79,511
Property, plant and equipment	**281,263**	276,114
Other assets	**9,429**	12,548
Trade, other payables and accrued liabilities	**32,990**	23,934
Long-term debt, including current maturities (note 5)	**64,397**	79,577
Finance leases and other long-term liabilities, including current maturities	**49,305**	52,480
Deferred income tax liabilities	**20,814**	18,893

4. Interest in Atlas joint venture (continued):

	September 30, Three Months Ended Dec 31 2011	September 30, Dec 31 2010	September 30, Years Ended Dec 31 2011	September 30, Dec 31 2010
Consolidated Statements of Income				
Revenue	**$ 43,401**	$ 56,008	**$ 224,902**	$ 180,314
Expenses	**(38,077)**	(48,820)	**(199,303)**	(165,947)
Income before income taxes	**5,324**	7,188	**25,599**	14,367
Income tax expense	**(1,360)**	(2,366)	**(4,853)**	(4,749)
Net income	**$ 3,964**	$ 4,822	**$ 20,746**	$ 9,618

	September 30, Three Months Ended Dec 31 2011	September 30, Dec 31 2010	September 30, Years Ended Dec 31 2011	September 30, Dec 31 2010
Consolidated Statements of Cash Flows				
Cash flows from operating activities	**$ (3,412)**	$ 18,527	**$ 36,062**	$ 33,671
Cash outflows from financing activities	**(6,269)**	(9,145)	**(19,641)**	(22,622)
Cash outflows from investing activities	**(8,282)**	(1,881)	**(17,831)**	(8,625