

Methanex Egypt and Suez Methanol Derivatives Company Sign a New Methanol Pipeline Construction and Maintenance Agreement

Cairo, April, 2023: Methanex Egypt and Suez Methanol Derivatives (SMD) Company today signed an infrastructure development agreement for the supply of methanol from Methanex Egypt's plant to the neighboring SMD project in Damietta. The agreement was signed by Methanex Egypt Managing Director Mohamed Shindy and SMD CEO & Chairman Hesham Selim in the presence of EChem Chairman Ibrahim Mekky.

Mohamed Shindy, Methanex Egypt Managing Director, said: "We are very pleased with our partnership with SMD on this strategic project, and of our role in supporting the growth of the Egyptian petrochemicals industry. As the sole producer of methanol in Egypt, we are proud of our role in supplying local industries with methanol in support of the Ministry of Petroleum and Mineral Resources' vision to maximize the value of the country's oil and gas resources. This agreement takes our commitment to this vision even further, as we undertake the construction and maintenance of a dedicated pipeline that sets up a unique integrated petrochemicals hub in Damietta Port."

Hisham Selim, Suez Methanol Derivatives (SMD) Company CEO & Chairman, said: "SMD project is the first of its kind in the Egyptian oil, gas, and petrochemicals sector, aiming to produce highly value-added specialty chemicals. Through the utility of locally produced petrochemicals, SMD succeeded in achieving full integration between the Egyptian petrochemical companies. In addition to our agreement with Methanex Egypt, we have also signed agreements with EChem, MOPCO, Abu Qir, and EPC for feedstock supply and products off-take. I am confident that this methanol pipeline will provide a safe, efficient, and sustainable solution for securing methanol supply throughout the lifetime of the SMD project."

This agreement comes in light of the Memorandum of Understanding (MoU) signed by both parties in 2018 to investigate potential support for providing utilities and methanol to the SMD plant. A \$120 million methanol and formaldehyde derivatives plant in Damietta, SMD is designed to produce 140 KTA of main products including Urea Formaldehyde Concentrate 85% (UFC-85), Urea Formaldehyde Resins, Sulphonated Naphthalene Formaldehyde (SNF), in addition to the capability of producing up to 42 KTA of special UF resins for various end-use applications.

The main partners in the project along with Methanex are EMC as the EPC consortium leader, Johnson Matthey as the technology provider of the formaldehyde and UFC-85 plants, and ENPPI as the owner's PMC of the project. The project is currently under construction and is expected to start operation in October 2024.

####

Notes to Editors:

About Methanex Corporation

Methanex is the world's largest producer and supplier of methanol to major international markets in North America, Asia Pacific, Europe and South America. Headquartered in Vancouver, Canada, Methanex

currently operates production sites in Canada, Chile, Egypt, New Zealand, Trinidad and Tobago and the United States. Our global operations are supported by an extensive global supply chain of terminals, storage facilities and the world's largest dedicated fleet of methanol ocean tankers.

About the Egyptian Methanex Methanol Production Company:

The Egyptian Methanex Methanol Company S.A.E. is the Egyptian joint venture operation of Methanex Corporation, the global leader in methanol industry supply, distribution and marketing. Methanex holds a 50% interest in the joint venture, together with the Egyptian government partners: Egyptian Petrochemical Holding Company (ECHEM), which holds 12%; Egyptian Natural Gas Holding Company (EGAS), which holds 12%; Egyptian National Gas Company (GASCO), which holds 9% and the Arab Petroleum Investments Corporation (APICORP), which holds 17%.

About the Suez Methanol Derivatives Company:

Suez Methanol Derivatives (SMD) Company is a joint stock company, legalized and registered under the investment laws of Egypt, governed by the Egyptian Ministry of Petroleum & Mineral Resources as one of the Egyptian Petrochemicals Holding Company (ECHEM) companies. Being the major shareholder, ECHEM holds 46% of the shares, together with the National Investment Bank, which holds 26%, National Bank of Egypt, which holds 5%, Misr Insurance Company, which holds 5%, Misr Life Insurance Company, which holds 4%, Nasser Social Bank, which holds 5%, in addition to the public shares which represent 9% of the total shares.