

METHANEX CORP
Form F-10
December 07, 2012

As filed with the Securities and Exchange Commission on December 7, 2012

Registration No. 333-

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

FORM F-10
REGISTRATION STATEMENT

UNDER
THE SECURITIES ACT OF 1933

Methanex Corporation

(Exact name of Registrant as specified in its charter)

Canada
(Province or other jurisdiction of
incorporation or organization)

2869
(Primary Standard Industrial
Classification Code Number)

Not Applicable
(I.R.S. Employer Identification
Number, if applicable)

1800 Waterfront Centre, 200 Burrard Street, Vancouver, British Columbia, Canada V6C 3M1

(604) 661-2600

(Address and telephone number of Registrant's principal executive offices)

CT Corporation System

111 8th Avenue, New York, New York 10011 (212) 894-8700

(Name, address, including zip code, and telephone number, including area code, of agent for service in the United States)

Please send copies of all correspondence to:

Copies to:

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McCarthy Tétrault LLP	Methanex Corporation	Paul, Weiss, Rifkind,
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(604) 643-7100		

Approximate date of commencement of proposed sale to the public:

From time to time after the effective date of this Registration Statement.

Province of British Columbia, Canada

(Principal jurisdiction regulating this offering)

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

- A. upon filing with the Commission, pursuant to Rule 467(a) (if in connection with an offering being made contemporaneously in the United States and Canada).
- B. at some future date (check appropriate box below)
 - 1. pursuant to Rule 467(b) on () at () (designate a time not sooner than 7 calendar days after filing).
 - 2. pursuant to Rule 467(b) on () at () (designate a time 7 calendar days or sooner after filing) because the securities regulatory authority in the review jurisdiction has issued a receipt or notification of clearance on ().
 - 3. pursuant to Rule 467(b) as soon as practicable after notification of the Commission by the Registrant or the Canadian securities regulatory authority of the review jurisdiction that a receipt or notification of clearance has been issued with respect hereto.
 - 4. after the filing of the next amendment to this Form (if preliminary material is being filed).

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum aggregate offering price (1)	Amount of registration fee (1)
Debt Securities(2)	US\$250,000,000	US\$250,000,000	US\$34,100

- (1) Estimated solely for the purpose of determining the registration fee pursuant to Rule 457(o) under the Securities Act of 1933, as amended (the Securities Act).
- (2) An aggregate of U.S.\$250,000,000 of securities previously registered pursuant to a registration statement on Form F-9 (File No. 333-177632) (the Initial Registration Statement) is being included in the prospectus that forms a part of this Registration Statement pursuant to Rule 429 under the Securities Act. The aggregate initial offering price of the previously registered securities and the securities registered pursuant to this Registration Statement will not exceed U.S.\$500,000,000. Any previously registered debt securities and any debt securities registered under this Registration Statement may be sold separately or as units with other previously registered debt securities or other debt securities registered under this Registration Statement. The proposed maximum initial offering price per debt security will be determined, from time to time, by the registrant.

Pursuant to Rule 429 under the Securities Act, the prospectus contained in this Registration Statement also relates to the Initial Registration Statement, under which securities with a proposed aggregate offering price of U.S.\$250,000,000 remain unsold as of the date hereof. Upon effectiveness, this Registration Statement shall also constitute a post-effective amendment to the Initial Registration Statement, and such post-effective amendment shall become effective concurrently with the effectiveness of this Registration Statement in accordance with Section 8(c) of the Securities Act.

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

PART I
INFORMATION REQUIRED TO BE
DELIVERED TO OFFEREES OR PURCHASERS

Amendment No. 1 dated December 7, 2012 to the Short Form Base Shelf Prospectus dated November 10, 2011

This amendment, together with the short form base shelf prospectus dated November 10, 2011, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

METHANEX CORPORATION

US\$750,000,000

Debt Securities

Reference is made to the short form base shelf prospectus dated November 10, 2011 (the Prospectus) of Methanex Corporation (Methanex).

The Prospectus is amended to increase the aggregate amount of Offered Debt Securities that may be offered from time to time under the Prospectus from US\$500,000,000 to US\$750,000,000. In particular, the Prospectus is amended by deleting all references to US\$500,000,000 contained within the Prospectus and substituting therefor US\$750,000,000, and by deleting all references to Form F-9 contained within the Prospectus and substituting therefor Form F-10.

As of the date of this amendment, Methanex has distributed Offered Debt Securities under the Prospectus having an aggregate principal amount of US\$250,000,000.

We are permitted, under a multi-jurisdictional disclosure system adopted by the United States and Canada, to prepare the Prospectus, including this amendment, in accordance with the disclosure requirements of Canada, which are different from United States disclosure requirements. The financial statements included or incorporated herein have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian generally accepted auditing standards and auditor independence standards. As a result, they may not be comparable to financial statements of United States companies.

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

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

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Offered Debt Securities or determined if the Prospectus, as amended, is truthful or complete. Any representation to the contrary is a criminal offense.

AUDITORS CONSENT

We have read Amendment No. 1 dated December 7, 2012 to the short form base shelf prospectus of Methanex Corporation (the Company) dated November 10, 2011 relating to the offer, from time to time, of up to an aggregate principal amount of US\$750,000 (or the equivalent in other currencies) of debt securities of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our reports to the shareholders of the Company on the consolidated financial statements of the Company, which comprise the consolidated statements of financial position as at December 31, 2011, December 31, 2010 and January 1, 2010 and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the years ended December 31, 2011 and December 31, 2010, and notes, comprising a summary of significant accounting policies and other explanatory information, and on the effectiveness of internal control over financial reporting as at December 31, 2011. Our reports are dated March 15, 2012.

(signed) KPMG LLP

Chartered Accountants

Vancouver, Canada

December 7, 2012

Base Shelf Prospectus

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

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

Short Form Prospectus

New Issue

November 10, 2011

US\$500,000,000

METHANEX CORPORATION

DEBT SECURITIES

We may from time to time offer up to an aggregate principal amount of US\$500,000,000 of debt securities during the 25 month period that this short form prospectus (the Prospectus), including any amendments hereto, remains valid. The debt securities may be offered separately or together, in one or more series, in amounts, at prices and on other terms to be determined based on market conditions at the time of issuance and set forth in an accompanying prospectus supplement.

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

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

We are permitted, under a multijurisdictional disclosure system adopted by the United States and Canada, to prepare this Prospectus in accordance with Canadian disclosure requirements, which are different from United States disclosure requirements. Our financial statements, which are incorporated by reference herein, have been prepared, for all periods prior to January 1, 2011, in accordance with Canadian generally accepted accounting principles, and, for all periods beginning on or after January 1, 2011, in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and they are subject to Canadian generally accepted auditing standards and auditor independence standards. As a result, they may not be comparable to financial statements of United States companies.

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

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

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

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

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ABOUT THIS PROSPECTUS

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

This Prospectus is part of a registration statement on Form F-9 relating to the debt securities that we have filed with the United States Securities and Exchange Commission (the SEC). Under the registration statement, we may, from time to time, offer any combination of the debt securities described in this Prospectus in one or more offerings of up to an aggregate principal amount of US\$500,000,000. This Prospectus provides you with a general description of the debt securities that we may offer. Each time we offer debt securities under the registration statement, we will provide a prospectus supplement that will contain specific information about the terms of that offering of Offered Debt Securities. The prospectus supplement may also add, update or change information contained in this Prospectus. Before you invest, you should read both this Prospectus and any applicable prospectus supplement together with the additional information described under the heading Where You Can Find More Information . This Prospectus does not contain all of the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. You should refer to the registration statement and the exhibits to the registration statement for further information with respect to us and the debt securities.

In this Prospectus and any prospectus supplement, all references to dollars or \$ are to United States dollars and all references to Canadian dollars and CDN\$ are to Canadian dollars. Unless otherwise indicated, all financial information included or incorporated by reference in this Prospectus or included in any prospectus supplement is in United States dollars and determined using Canadian generally accepted accounting principles, for all periods prior to January 1, 2011, or International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board, for all periods beginning on or after January 1, 2011. For a discussion of the principal differences between our financial results as calculated under Canadian generally accepted accounting principles and under United States generally accepted accounting principles, you should refer to Note 20 of our audited consolidated financial statements as at December 31, 2010 and 2009, and for each of the three years ended December 31, 2010, which are incorporated by reference in this Prospectus.

WHERE YOU CAN FIND MORE INFORMATION

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

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

Under the multijurisdictional disclosure system adopted by the United States and Canada, the SEC and the BCSC allow us to incorporate by reference certain information that we file with them, which means that we

can disclose important information to you by referring you to those documents. Information that is incorporated by reference is an important part of this Prospectus. The following documents, filed by us with the various securities commissions or similar authorities in each of the provinces of Canada and filed with or furnished to the SEC, are specifically incorporated by reference into and form an integral part of, this Prospectus:

- (a) our Annual Information Form dated March 24, 2011 for the year ended December 31, 2010;
- (b) our Audited Consolidated Financial Statements, and the related notes thereto, as at December 31, 2010 and 2009 and for each of the years then ended and the Auditors' Report thereon;
- (c) our Management's Discussion and Analysis for the year ended December 31, 2010;
- (d) our Condensed Consolidated Interim Financial Statements, and the related notes thereto, for the three and nine months ended September 30, 2011 and 2010;
- (e) our Management's Discussion and Analysis for the three and nine months ended September 30, 2011; and
- (f) our Information Circular dated March 4, 2011 for our annual meeting of shareholders held on April 28, 2011.

Any document of the type referred to in the preceding paragraph (excluding confidential material change reports), the content of any news release publicly disclosing financial information for a period more recent than the period for which financial statements are required to be incorporated herein, and certain other documents as set forth in Item 11.1 of Form 44-101F1 of National Instrument 44-101 *Short Form Prospectus Distributions* filed by us with a securities commission or similar authority in Canada after the date of this Prospectus and prior to the termination of the distribution will be deemed to be incorporated by reference in this Prospectus. These documents are available through the internet on SEDAR. In addition, to the extent that any document or information incorporated by reference in this Prospectus is included in a report that is filed or furnished to the SEC on Form 40-F, 20-F or 6-K (or any respective successor form), such document or information shall also be deemed to be incorporated by reference as an exhibit to this Prospectus and the registration statement on Form F-9 of which this Prospectus forms a part.

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

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

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

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

You should rely only on the information contained in or incorporated by reference in this Prospectus or any applicable prospectus supplement and on the other information included in the registration statement of which this Prospectus forms a part. We have not authorized any person to provide you with different or additional information. If any person provides you with different or additional information, you should not rely on it. We are not making an offer of the debt securities in any jurisdiction where the offer is not permitted by law. You should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable prospectus supplement is accurate as of any date other than the date on the front of this Prospectus or any applicable prospectus supplement, respectively.

STATEMENTS REGARDING FORWARD-LOOKING INFORMATION

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

expected demand for methanol and its derivatives;

expected new methanol supply 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 of planned maintenance outages;

expected methanol and energy prices;

expected levels and timing of 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 and availability of economically priced natural gas in Chile, New Zealand and Canada;

capital committed by third parties towards future natural gas exploration in Chile and New Zealand;

expected capital expenditures, including, without limitation, those to support natural gas exploration and development in Chile and New Zealand 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 Medicine Hat 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, if necessary, 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 registrations and related mortgages which require actions by Egyptian governmental entities;

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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, 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 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 or inaction 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, including, without limitation, our Chilean facilities, the new methanol plant in Egypt and the restarted Medicine Hat facility;

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;

absence of a material negative impact from political instability in the countries in which we operate; and

enforcement of contractual arrangements and ability to perform contractual obligations by customers, 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;

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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 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 annual and third quarter 2011 management's discussion and analysis incorporated by reference in this Prospectus.

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

METHANEX CORPORATION

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

RISK FACTORS

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

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

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

Chile

We have four methanol plants in Chile with a total annual production capacity of 3.8 million tonnes per year. Although we have long-term natural gas supply contracts in place that entitle us to receive a significant quantity of our total natural gas requirements in Chile from suppliers in Argentina, these suppliers have curtailed all gas supply to our plants in Chile since June 2007 in response to various actions by the Government of Argentina that include imposing a large increase to the duty on natural gas exports from Argentina. Since then we have been operating our Chile facilities significantly below site capacity. We are not aware of any plans by the Government of Argentina to decrease or remove this duty. Under the current circumstances, we do not expect to receive any further natural gas supply from Argentina.

Over the past few years, Empresa Nacional del Petróleo (ENAP), one of our primary natural gas suppliers in Chile, has delivered less than the full amount of natural gas that it was obligated to deliver to us primarily due to declines in the production rates of existing wells. The shortfalls in natural gas deliveries from ENAP are generally greater in the southern hemisphere winter due to the need to satisfy increased demand for residential uses in the region. We are focused on sourcing additional gas supply for our Chile facilities 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. In addition, the Government of Chile completed an international bidding round in 2007 to assign natural gas exploration areas that lie close to our production facilities and announced the participation of several international oil and gas companies. In 2010, the Government of Chile initiated a new round allocating further exploration acreage to international oil and gas companies. Contracts for these new exploration areas are currently under negotiation.

The future operating rate of our plants in Chile is primarily dependent on demand for natural gas for residential purposes, 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

We have two methanol plants in Trinidad (Titan and Atlas) with a total annual production capacity of 2.05 million tonnes per year. Natural gas for these production facilities is supplied under contracts with The National Gas Company of Trinidad and Tobago Limited. The contracts for Titan and Atlas expire in 2014 and 2024, respectively. Although Titan and Atlas are located close to other natural gas reserves in Trinidad, which we believe we could access after the expiration of these natural gas supply contracts, we cannot provide assurance that we would be able to renew our current contracts or secure access to such natural gas on commercially acceptable terms and that this will not have an adverse impact on our results of operations and financial condition.

Over the past year, large industrial natural gas consumers in Trinidad experienced periodic curtailments of natural gas supply due to upstream outages. Our Titan facility in Trinidad experienced some gas curtailments late in the third quarter and into the fourth quarter of 2011. 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 Titan facility. We cannot provide assurance that we will not experience longer than anticipated curtailments due to upstream outages or other issues in Trinidad and that these curtailments will not be material and that this would not have an adverse impact on our results of operations and financial condition.

New Zealand

We have three plants in New Zealand with a total annual production capacity of up to 2.23 million tonnes per year. This includes two plants with total annual production capacity of 1.7 million tonnes per year located at Motunui and one plant with total annual production capacity of 0.5 million tonnes per year located at nearby Waitara Valley. We are currently operating one 0.85 million tonne per year plant at our Motunui location. Natural gas for these production facilities is supplied from a range of suppliers with short term contracts and we currently have sufficient quantities of natural gas to operate this facility through 2012. We are pursuing opportunities to obtain economically priced natural gas from suppliers in New Zealand and we are pursuing natural gas exploration and development opportunities in the area close to our plants. The future operation of our New Zealand facilities depends on methanol industry supply and demand and the availability of natural gas on commercially acceptable terms, and the success of ongoing exploration and development activities. We cannot provide assurance that we will be able to secure additional gas for our facilities on commercially acceptable terms or that the ongoing exploration and development activities in New Zealand will be successful and that this will not have an adverse impact on our results of operations and financial condition.

Egypt

In mid-March 2011, we commenced operations at the new 1.26 million tonne per year methanol plant in Egypt. Natural gas for this facility is supplied under a 25-year contract with the government-owned Egyptian Natural Gas Holding Company (EGAS). Gas is supplied to this facility from the same gas delivery grid infrastructure that supplies other industrial users in Egypt, as well as the general Egyptian population and, accordingly, the natural gas supplied under this long-term contract could be impacted by the supply and demand balance of natural gas in Egypt. There can be no assurance that we will not experience curtailments of natural gas supply, which could have an adverse impact on our results of operations and financial condition.

Canada

In late April 2011, we restarted our 0.47 million tonne per year facility in Medicine Hat, Alberta. We have contracted sufficient volumes of natural gas on the Alberta gas market to meet 80% to 100% of our requirements when operating at capacity to March 2013. We will purchase natural gas to satisfy any remaining requirements on the Alberta gas spot market. The Alberta gas market offers substantial volumes of natural gas in a competitive market where prices can fluctuate widely. The future operation of our Medicine Hat facility depends on our ability to secure sufficient natural gas on commercially acceptable terms. There can be no assurance that we will be able to continue to secure sufficient natural gas for our Medicine Hat facilities on commercially acceptable terms and that this will not have an adverse impact on our results of operations and financial condition.

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

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

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

Weakening global economic conditions could negatively impact our business.

A significant weakening in global economic conditions could present risks and uncertainties which could significantly impact our business, including risks and uncertainties related to the impact on global supply and demand for methanol, its impact on methanol prices, changes in capital markets and corresponding effects on our investments, our ability to access existing or future credit and increased risk of defaults by customers, suppliers and insurers. We cannot provide assurance that these factors would not have an adverse impact on our results of operations and financial condition.

We are subject to risks inherent in foreign operations.

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

In late January 2011, there were widespread anti-government protests and civil unrest in Egypt. In mid-February 2011, the Egyptian military announced that it had assumed control of the nation's affairs until elections are held. We cannot provide assurance that future developments in Egypt, including changes in government or further civil unrest or other disturbances, would not have an adverse impact on ongoing operations, our ability to comply with our current contractual obligations, or on the terms or enforceability of our natural gas or other contracts with governmental entities, or that such future developments would not have an adverse impact on our results of operations and financial condition.

In June 2009, the Chinese Ministry of Commerce (MOFCOM) began an investigation into domestic methanol producer allegations of the dumping of methanol from New Zealand, Saudi Arabia, Indonesia and Malaysia. In late December 2010, MOFCOM issued its Final Determination and recommended that duties of approximately 9% be imposed on imports from existing producers in New Zealand, Malaysia and Indonesia. However, citing special circumstances, the Customs Tariff Commission of the Chinese State Council decided to suspend enforcement of the anti-dumping measures, which will allow methanol from all three countries to enter into China without the imposition of additional duties. We cannot provide assurance that the suspension will not be lifted or that the Chinese government will not impose duties or other measures in the future that could have an adverse effect on our results of operations and financial condition.

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

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

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

The dominant currency in which we conduct business is the United States dollar, which is also our reporting currency. The most significant components of our costs are natural gas feedstock and ocean-shipping costs and substantially all of these costs are incurred in United States dollars. Some of our underlying operating costs and capital expenditures, however, are incurred in currencies other than the United States dollar, principally the Canadian dollar, the Chilean peso, the Trinidad and Tobago dollar, the New Zealand dollar, the euro and the Egyptian pound. We are exposed to increases in the value of these currencies that could have the effect of increasing the United States dollar equivalent of cost of sales and operating expenses and capital expenditures. A portion of our revenue is earned in euros and British pounds. We are exposed to declines in the value of these currencies compared to the United States dollar, which could have the effect of decreasing the United States dollar equivalent of our revenue.

Restrictions in our debt agreements could affect our ability to access existing financing or obtain new financing.

We have an undrawn \$200 million credit facility that expires in June 2015. Our ability to access the facility is subject to certain financial covenants.

At September 30, 2011, our long-term debt obligations included \$350 million in unsecured notes (\$200 million which matures in 2012 and \$150 million which matures in 2015), \$483 million related to our Egypt limited recourse debt facilities and \$73 million related to our Atlas limited recourse debt facilities. The covenants governing the unsecured notes apply to the Company and its subsidiaries, excluding the Atlas and the Egypt entities (limited recourse subsidiaries). The Atlas and Egypt limited recourse debt facilities are described as limited recourse as they are secured only by the assets of the Atlas joint venture and the Egypt entity, respectively. The agreements governing the unsecured notes and the Atlas and Egypt limited recourse debt facilities contain customary covenant and default provisions.

We cannot provide assurance that we will be able to access new financing in the future or that the financial institutions providing the credit facility will have the ability to honour future draws. Additionally, failure to comply with any of the covenants or default provisions could restrict our access to the credit facility or result in

acceleration of payment of outstanding principal and accrued interest on our long-term debt. Any of these factors could have an adverse impact on our results of operations and financial condition, and our ability to pursue and complete strategic initiatives.

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

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

We are vulnerable to credit risk of our customers.

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

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

Demand for Methanol - General

Changes in environmental, health and safety laws, regulations or requirements could impact methanol demand. The U.S. Environmental Protection Agency (the EPA) is currently evaluating the human health effects classification for methanol as part of a standard review of chemicals under its Integrated Risk Information System (IRIS). Methanol is currently unclassified under IRIS. A draft assessment for methanol was released by the EPA in January 2010 classifying methanol as Likely to Be Carcinogenic to Humans. As of June 2010, the EPA's methanol assessment has been placed on hold. In April 2011, the EPA announced that it was dividing the original draft assessment for methanol into two parts: cancer and non-cancer assessment. The timeline for EPA's methanol cancer assessment remains to be determined, according to the EPA's website. We are unable to determine at this time whether the current draft classification will be maintained in the final assessment or if this will lead other government agencies to reclassify methanol. Any reclassification could reduce future methanol demand, which could have an adverse effect on our results of operations and financial condition.

Demand for Methanol in the Production of Formaldehyde

In 2010, methanol demand for the production of formaldehyde represented approximately 34% of global demand. The largest use for formaldehyde is as a component of urea-formaldehyde and phenol-formaldehyde resins, which are used as wood adhesives for plywood, particleboard, oriented strand board, medium-density fibreboard and other reconstituted or engineered wood products. There is also demand for formaldehyde as a raw material for engineering plastics and in the manufacture of a variety of other products, including elastomers, paints, building products, foams, polyurethane and automotive products.

The current EPA IRIS human health effects classification for formaldehyde is Likely to Be Carcinogenic to Humans. However, the EPA is reviewing this classification for formaldehyde as part of a standard review of chemicals. On June 2, 2010, the EPA released its draft formaldehyde assessment, proposing formaldehyde as

Known to be Carcinogenic to Humans . The timeline for the release of the EPA 's final formaldehyde assessment remains to be determined, according to the EPA 's website. We are unable to determine at this time whether the current draft classification will be maintained in the final assessment or if this will lead other government agencies to reclassify formaldehyde.

In May 2009, the U.S. National Cancer Institute (the NCI) published a report on the health effects of occupational exposure to formaldehyde and a possible link to leukemia, multiple myeloma and Hodgkin 's disease. The NCI report concluded that there may be an increased risk of cancers of the blood and bone marrow related to a measure of peak formaldehyde exposure. The NCI report is the first part of an update of a 2004 NCI study that indicated possible links between formaldehyde exposure and nasopharyngeal cancer and leukemia. The second portion of the study, which focuses on nasopharyngeal cancer and other cancers, remains in the final phase of its internal review process. The International Agency for Research on Cancer also recently concluded that there is sufficient evidence in humans of a causal association of formaldehyde with leukemia.

On June 10, 2011, the U.S. Department of Health and Human Services (the HHS) National Toxicology Program released its Report on Carcinogens, modifying its listing of formaldehyde from Reasonably Anticipated to be a Human Carcinogen to Known to be a Human Carcinogen . In 2010, the U.S. Formaldehyde Standards for Composite Wood Products Act became effective. The legislation sets new national emissions standards for formaldehyde in various wood products. These standards require a reduction in the emissions standards for formaldehyde used in hardwood plywood, particleboard and medium-density fibreboard sold in the United States. While we believe most United States producers have the technology in place to meet the new emissions requirements, we cannot assure you that these standards will not adversely impact the demand for methanol for formaldehyde in the United States.

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

Demand for Methanol in the Production of MTBE

In 2010, methanol demand for the production of MTBE represented approximately 13% of global methanol demand. MTBE is used primarily as a source of octane and as an o