

CHEMSYSTEMS SBA PROGRAM

Methanol Quarterly Business Update Q4 2012

January 2013



1st Floor, 1 King's Arms Yard, London EC2R 7AF, UK
Tel: +44 20 7950 1600 Fax: +44 20 7950 1550

In association with:

This Report was prepared by Nexant, Inc ("Nexant") and is part of the SBA Methanol Program. Except where specifically stated otherwise in this Report, the information contained herein is prepared on the basis of information that is publicly available, and contains no confidential third party technical information to the best knowledge of Nexant. Aforesaid information has not been independently verified or otherwise examined to determine its accuracy, completeness or financial feasibility. Neither NEXANT, Subscriber nor any person acting on behalf of either assumes any liabilities with respect to the use of or for damages resulting from the use of any information contained in this Report. Nexant does not represent or warrant that any assumed conditions will come to pass.

The Report is submitted on the understanding that the Subscriber will maintain the contents confidential except for the Subscriber's internal use. The Report should not be reproduced, distributed or used without first obtaining prior written consent by Nexant. Each Subscriber agrees to use reasonable effort to protect the confidential nature of the Report.

Copyright © by Nexant Inc. 2013. All rights reserved.

Contents

| Section | Page |
|--|-----------------|
| 1 Executive Summary | 1-1 |
| 1.1 INTRODUCTION | 1-1 |
| 1.2 MARKET OVERVIEW | 1-1 |
| 1.3 PRICING AND PROFITABILITY | 1-1 |
| 2 Capacity Round-Up | 2-1 |
| 2.1 EXISTING CAPACITY | 2-1 |
| 2.2 NEW PROJECTS | 2-2 |
| 3 Profitability and Pricing | 3-1 |
| 3.1 PRICING UPDATE..... | 3-1 |
| 3.2 PROFITABILITY ANALYSIS..... | 3-2 |
| Appendix | Page |
| A Historic Methanol Pricing | A-1 |
| B Energy Prices | B-1 |
| Figure | Page |
| 3.1 Global Methanol Pricing..... | 3-1 |
| 3.2 Methanol Variable Cost Margins..... | 3-4 |
| 3.3 Methanol Cash Cost Margins | 3-4 |
| Table | Page |
| 2.1 New Methanol Projects in 2012 and 2013 – Status Update | 2-3 |
| 3.1 Methanol Costs, Revenues and Margins | 3-3 |