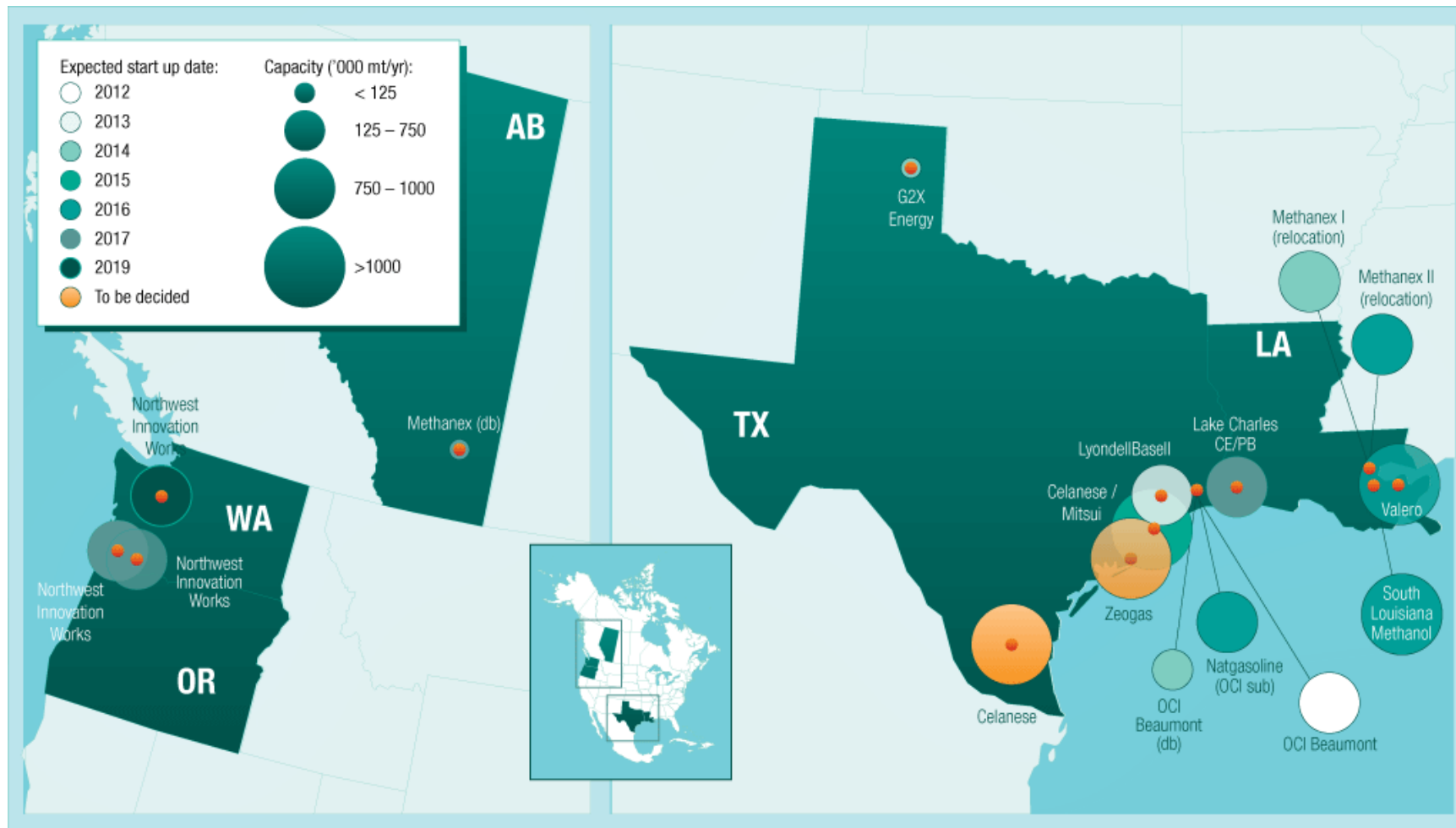


US methanol: Growth potential and current market trends

Colleen Barry-Goodman

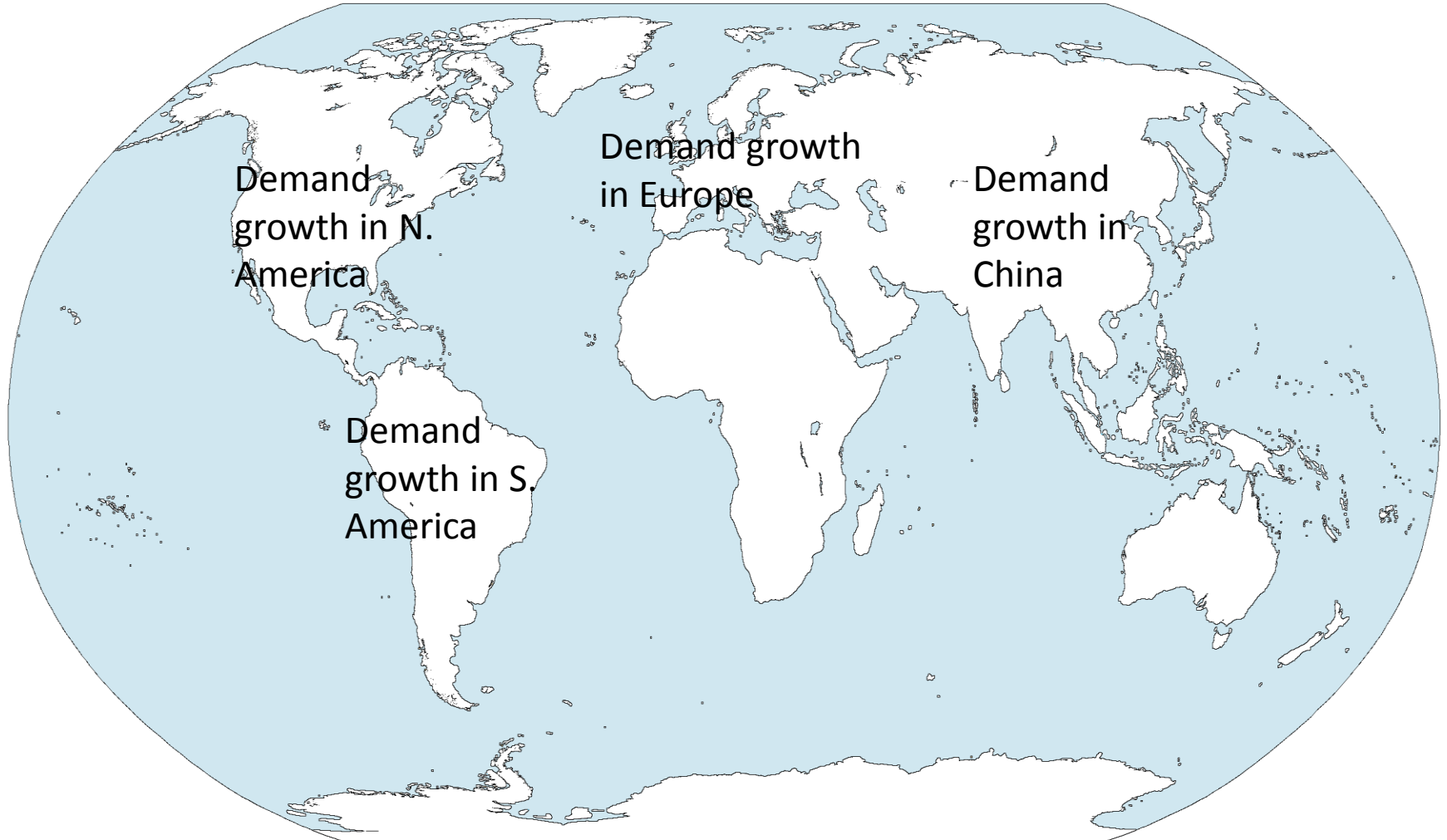
Managing Editor, Americas Petrochemicals

US methanol – announced projects



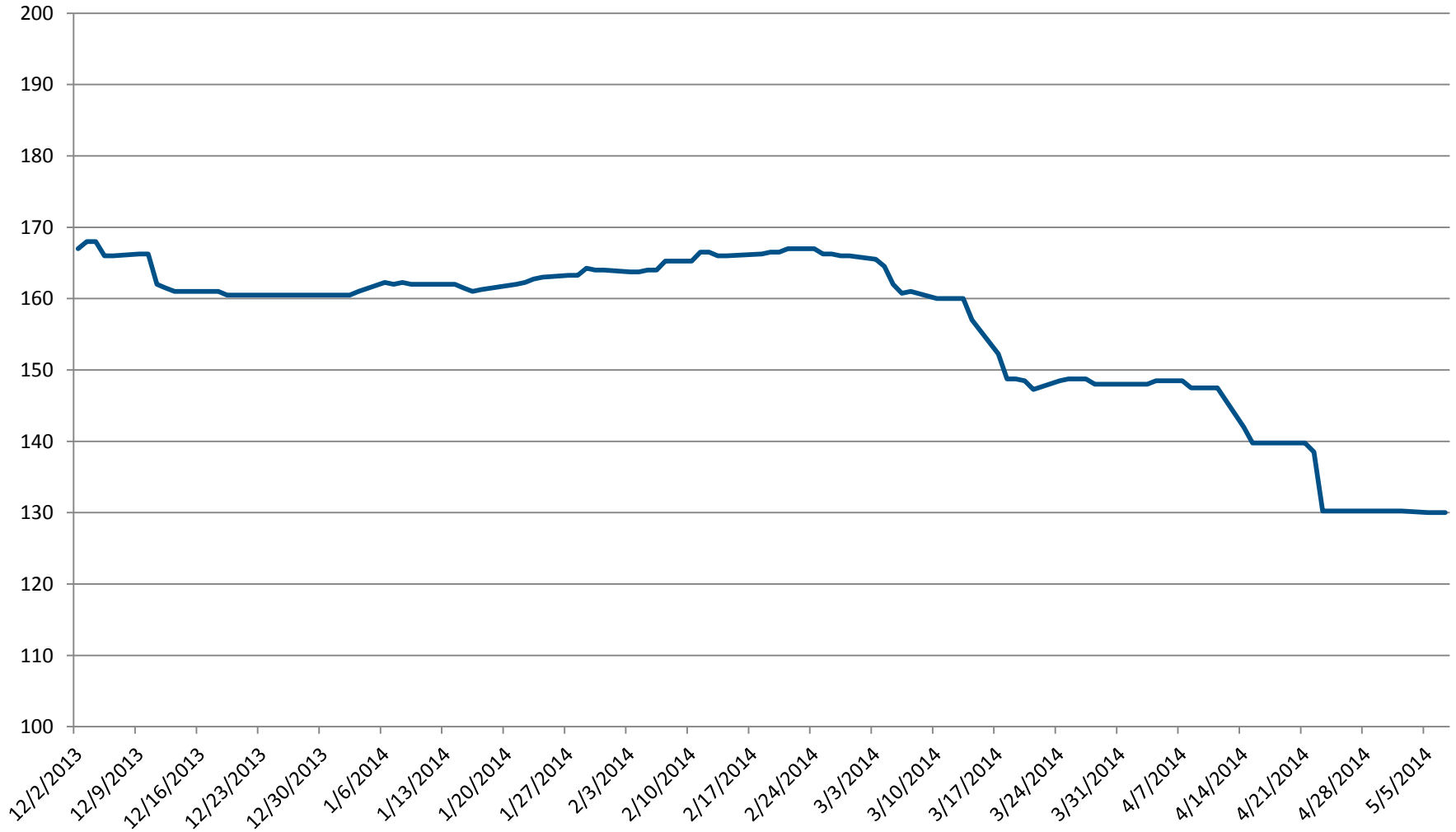
- If all of the likely expansions are realized, then the US will see 8-10 million mt/year of additional capacity
- US is expected to become a net exporter of methanol by 2016 (current US demand approx 6-7 mil mt/year)
- Expectation is that demand growth in China will draw additional demand – market is currently undersupplied
- Destination for material from Trinidad & Tobago unknown – may be sent to Europe, Asia, depending on demand in those regions.

Where will the methanol go?



- Global spot prices have plummeted since March 1, which many market sources attributed to a large volume of Southeast Asian material into the US Gulf
 - Between 80,000-100,000 mt of methanol fixed from Southeast Asia to US for arrival in March, April and May
- Prices declined earlier and more quickly than had been expected
 - Many had thought that prices would taper gradually through Q2 reaching a “floor” around mid-summer
- European prices expected to see pressure in Q2 on turnarounds, could pressure US prices higher

Spot Methanol FOB USG cts/gal



Source: Platts