

Taranaki methanol production up 63% in first half of 2009

11 September 2009 - Downstream use of natural gas for methanol increased substantially in the first half of 2009 with Methanex using its restarted Motunui plant for its first full half year to the end of June 2009.

Vancouver-based Methanex Corporation says in its second quarter report that methanol production from New Zealand was up 63% during the first half of 2009 from the first half last year.

The company reported methanol output of 397,000 tonnes to June 2009, up 153,000 tonnes from 244,000 tonnes in the same period of 2008.

Methanex now has greater capacity to make methanol in Taranaki since it restarted one of the two idled 900,000 tonne per year capacity units at the Motunui plant in October last year.

This replaced the company's nearby 530,000 tonne capacity Waitara Valley plant which was shut down around the same time. The 2008 first half methanol production came from this Waitara Valley plant.

Methanex now has the flexibility to operate the Motunui plant or the Waitara Valley plant or both depending on the availability of natural gas on commercially acceptable terms and methanol supply and demand dynamics.

The company says it has excluded the second Motunui facility from production capacity in New Zealand as this is currently not intended to be restarted.

Annual production from New Zealand in 2008 was 570,000 tonnes, up from 435,000 tonnes in 2007.

Bruce Aitken, president and CEO of Methanex, said that primarily as a result of strong demand in Asia, particularly in China, global methanol demand improved in the second quarter. This supported a strengthening methanol price.

Sources: Methanex and Lindsay Clark