

To: PowerMist; Rick Fales, President
From: Consortium of Methanol Producers
Sent: Thursday October 18, 2007

SUBJECT: METHANOL MARKET - OCTOBER 2007

The global methanol market has finally been overwhelmed by the mounting pressure and the litany of additional unscheduled plant outages. The spot price in both the U.S. and Europe has risen approximately 77% over September contract levels! There have been additional outages taking product from an already tight global market. The Millennium plant in Texas had water damage and it will only run at about 30% until sometime late October. Statoil, the largest producer in Europe, has declared force majeure due to mechanical problems.

These issues are on top of multiple other unscheduled outages that account for a loss of 1.2 MM tonnes in 2007 that have now brought us to a position worse than last summer. The current problems include the Argentina political based cutback in natural gas feed to Chile and the Methanex facility.

Methanex has had to cover this 75% outage of 0.7 MM tonnes since June using other production locations and global sourcing. Methanex has sent a letter to all it's barge customers worldwide noting that they "are now faced with uncertainty as to when they will have further gas to operate more than one plant (25%) in Chile." There "ability to continue to fully supply customers into the fourth quarter will be compromised if they are not able to restart further plants in Chile in the near term." This could obviously affect their total global supply.

As if to make matters worse, China as the worlds largest supplier of silicones (methanol is a major component) has practicyly stolen the available supply of methanol. With the weak dollar verses the Euro, most producers are willing to sell to China for maximum profit. This leaves the current U.S. market with no appreciable supply.

The spot U.S. Gulf Barge Price has skyrocketed and it will again take contract pricing along with it for the time being. The pricing in both Europe and the Pacific Rim are tracking along with similar increases. There could be some serious global supply issues in October. Relief will only come with more natural gas in Chile, Chinese production and additional exports and possibly a little from the only two new plants in Iran and Oman. Even with a huge price change, supply has surfaced as the key global issue. The high prices will indeed affect and change demand but they will also hopefully stimulate some additional chinese production.

We will continue to try and keep you posted as we move through October and the end of the year.

PLEASE NOTE NEW METHANOL PRICING AS OF 10-18-07

PREMIUM METHANOL

	1-24	25-49	50 +
50 Gal. Drums	265.20	238.00	222.50
5 Gal. Pails	39.05	35.01	31.80

HOLESHOT METHANOL

	1-24	25-49	50 +
50 Gal. Drums	291.70	261.90	244.30
5 Gal. Pails	42.35	37.49	34.70

Pricing of other Methanol products will be on a spot quote basis.