**Price Forecast:**

1. What are the prerequisites for an increase in the price of oil after 2030?
2. How will global methanol cycles affect the price in 2023-2025, 2026-2030, 2031-2045? Please allow us some time to work on this.
3. What cycle will the price of methanol be in in 2023-2025, 2026-2030, 2031-2045?
4. What are the relations between prices in different regions? Please allow us some time to work on this.
5. How US becoming a net exporter will affect global and regional prices? Please allow us some time to work on this.
6. What is the relation between the methanol contract price and the spot market price? The spot price is the current price in the marketplace at which methanol can be bought or sold for immediate delivery which is specific to both time and place.

Contract prices can be in contango or backwardation. Contango is when contract prices fall to meet the lower spot price. Backwardation is when contract prices rise to meet the higher spot price.

1. How can we calculate the contract price from the spot market price and vice versa? Please allow us some time to work on this.

**For questions 8-12, describe separately for each period: 2023-2025, 2026-2030, 2031-2045 and separately global influence and influence by key regions: China, India, Europe, North America.**

1. What fundamental preconditions will influence the change in the price of methanol and how will they affect the price? Please allow us some time to work on this.
2. What technological innovations can affect the price of methanol and how will they affect the price? Please allow us some time to work on this.
3. What geopolitical factors may affect the price of methanol and how how will they affect the price? Please allow us some time to work on this.
4. What changes in legislation may affect the production and sale of methanol and how will they affect the price? Please allow us some time to work on this.
5. What changes in the global economy may affect the price of methanol and how will they affect the price? Please allow us some time to work on this.

**Contracts:**

1. What are the options for off-take contracts (example: with fixed minimum prices / volumes)?

Some important types of offtake agreements are Take or Pay, Take and Pay, Blended, Long Term Sales, Hedging, and Power Purchase Agreements.

Options for off-take contracts in case of methanol are-

* 1. Long-Term Sales Contract: These agreements are utilized for commodities like oil, gas, mining, and petrochemicals, which have ready markets for their output. Typically, they last one to five years. In such a deal, the project firm and the off taker concur that the product will be sold at going market rates. However, if the buyer decides not to purchase the goods from the project firm, it will be required to pay suitable damages.
  2. Hedging Contract: The project firm is protected by this agreement from changes in product prices. While entering a contract with the off-taker company, the company keeps the product's price range between the highest and lowest market prices.
  3. Throughput Agreement: This type of agreement is specifically in relation to petroleum and oil refineries. According to this agreement, the project company is obligated to guarantee the pipeline operator receives a minimum quantity of product at a specified rate. This aids the operator in keeping up with operating costs and paying down debt.

1. What are the most commonly used types of methanol offtake contracts between a producer and an offtaker?

Most used types of methanol offtake contracts between a producer and an off-taker are-

1. Long-Term Sales Contract
2. Hedging Contract
3. How is the term of the contract determined in off-take contracts for the purchase of methanol?

The term of the contract in off-take contracts is determined on the basis to ensure profitability of the plant in the coming years as such projects require a large capital investment, companies need a security buffer like an OT agreement and to secure the parties to contract before the commencement of production.

1. How is the contract price determined?

Here is one of the examples of Methanex for the calculation of contract prices through a long-term sales contract.

Gray’s Harbor CPT Price = MNDRP + RF + L + G

“MNDRP” is the Methanex US Gulf Coast Non-Discounted Reference Price, which is the market index price per gallon of Methanol determined by Seller on a monthly basis. This price is announced to customers directly by Seller, and is also made available in the trade publications;

“RF” is the actual rail freight cost of transporting Product to the property line of Buyer’s facility in Gray’s Harbor, WA from Seller’s terminal in Kitimat, British Columbia (defined below). “F” shall be subject to monthly adjustments to reflect actual rail freight plus fuel surcharge costs incurred by Seller in transporting Product to Buyer’s facility in Gray’s Harbor, WA during the Term of this Agreement.

“F” is the actual freight cost of transporting Product to the property line of Buyer’s facility in Gray’s Harbor, WA from the Vancouver Washington Terminal (defined below) by tank truck.

“L” is the cost to hold the railcars in service for deliveries of Product, and “L” includes actual railcar lease and management costs. “L” shall be set at $0.03 per gallon for the first eighteen (18) months of the agreement and then be subject to adjustment to reflect any cost changes incurred by Seller thereafter; and

“G” is equal to $ per gallon representing the geographic differential compared to USGC ($ per Tonne).

1. How common are price formula contracts?
2. How is the price formula determined in methanol offtake contracts? The formula mentioned in the Ans #16 is majorly used. However, allow us some time to revalidate with more company sources.
3. What price formulas are commonly used? Allow us some time to revalidate with more company sources.
4. Can the terms of offtake contracts be changed unilaterally? It can only be done by agreement between the parties to the contract. Unless the original contract specifies that one party may make changes without first asking the other party's consent, it cannot be done unilaterally.
5. How are discounts determined in off-take contracts for the purchase of methanol?

There are different types of discounts in off-take contracts such as-

1. Contractual Discount- An existing agreement between the buyer and seller has a regular discount percentage. The agreement can specify, for instance, that all purchases will be given an automatic 8% discount. In this arrangement, the reduction is deducted from the sale price immediately; there is no waiting period.
2. Volume Discount- If the volume exceeds the certain volume, then the discount will be given on the overall purchase, agreed by both buyer and seller.
3. How are costs and discounts distributed between the contracting parties in off-take contracts for the purchase of methanol? Allow us some time to revalidate with company sources.
4. What are the typical terms and conditions of contracts in key markets (payment terms and procedures, advance payment / milestone payment shares, price benchmarks, price reviews, spot prices versus contract prices, take or pay scheme, flexibility, seasonality and other important conditions)? Allow us some time to validate this statement.

Please, could you help us with the following questions:

1. Which Incoterms are mainly used in the world in the logistics of methanol and why?
2. Could you describe detailed logistic cost structure from production unit to final customer including costs from EXW to FOB and from FOB to DDP (for ex. logistic cost to a port, port fees, export duties, loading vessel, fuel cost etc.)? This pointer will be covered in the next deliverable.
3. What methanol transportation options are available (for ex. building own vessel, time charter etc.)? What option is the most popular and why? This pointer will be covered in the next deliverable.
4. What does the freight rate depend on? It majorly depends on factors like mode of transportation (truck, ship, train, aircraft), Quantity, Weight, Distance to be covered, points of pickup and delivery of methanol,
5. What costs mentioned in question #2 are included in freight rate? This pointer will be covered in the next deliverable.
6. What are additional costs items applied to transportation by own vessel (for ex. capex for building own vessel, maintenance costs etc.)? This pointer will be covered in the next deliverable.
7. What are common transportation contract terms? This pointer will be covered in the next deliverable.