

## EXECUTIVE SUMMARY

The energy crisis which is also felt by Indonesia with the surging of world oil prices has prompted the emergence of various efforts to overcome oil as the primary energy source by finding alternative energy and innovation in its management.

PT. Mahakarya Mobile Energy (PT. MME) will be established to provide a solution to use alternative energy which is natural gas by more industries, especially those not accessible by the pipeline. By using generic differentiation strategy, PT. MME offers a Compressed Natural Gas (CNG) that promotes cleanliness and guarantees continuity of supply that generally can not be met by other natural gas suppliers.

To carry out vision and mission, PT. MME embraces the values of honesty which will help build a corporate culture called CLEAN, which stands for Continuous, Leading, Excellent, Action, and Nature.

In marketing strategy, PT. MME will choose an industrial market which has the greatest potential (98%) among the existing natural gas markets (industrial, commercial, transportation, and household) and to be inline with Company's differentiation strategy, PT. MME will choose market segments that have priority to High Quality Services and Environmental Concern as these two segments are not price-sensitive and have specific requirements for natural gas supply.

PT. MME produces only one kind of product that is CNG and its operation process is divided into two parts: production and distribution. The operations of PT. MME is the

implementation of corporate strategy (differentiation). Operating performance targets include Quality (minimum quality requirements for industrial gas), Dependability (to avoid downtime and discontinuation of supply), and Flexibility (to meet the needs of both regular and spot in terms of time and volume). PT. MME has planned the best site selection, arrangement of compressor operation and cradle transportation, as well as risk management and mitigation.

PT. MME will make a lean organizational structure as needed (mechanistical structure for operations, human resources, finance and accounting department; and organic structure for marketing department). The corporate culture will be implemented through company logo (MOBILE GAS), employee uniforms (color combination of green and white), Company's value CLEAN (Continuous, Leading, Excellent, Action, Nature), and also the Company's building with the clean concept and providing a continuous image.

To run this CNG business, PT. MME will need capital Rp 164,940,914,275, consist of working capital Rp 32.625.000.000 and investment project Rp 132,315,914,275. Capital will be funded with shareholder capital by 30% and the remaining 70% is funded from loans from stockholders. Those capital structure will give WACC 10.43% for the Company. In feasibility analysis, by using NPV method, it gives positive value of Rp 39,170,008,820 during the 5-year project; by using IRR method, it gives 20.1% return and by using Payback Period, it gives 3.30 years to return the initial investment. Breakeven Point (BEP) analysis gives 2.57 mmscfd, this amount is approximately 50% of Company's capacity and sales target at 5 mmscfd.