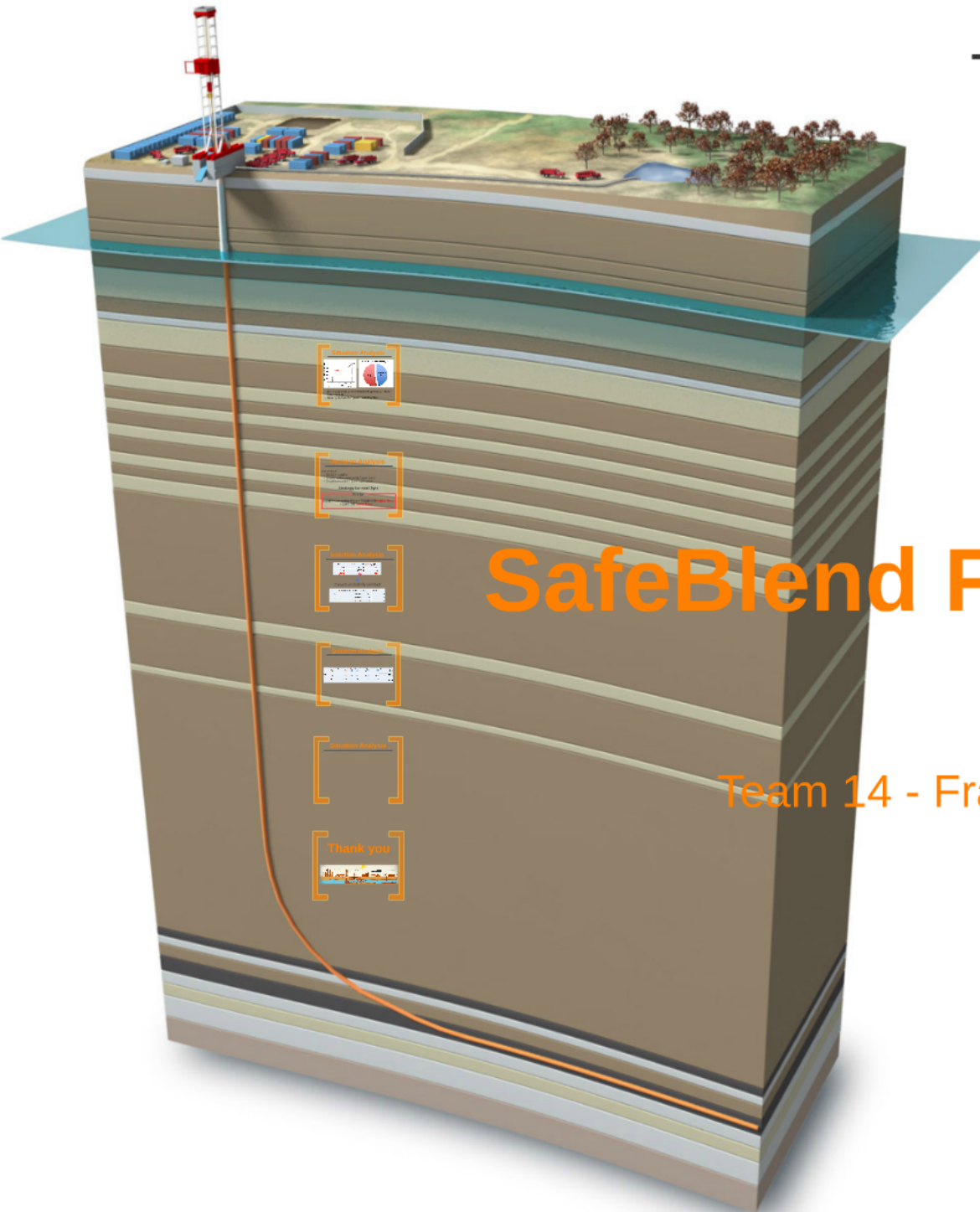
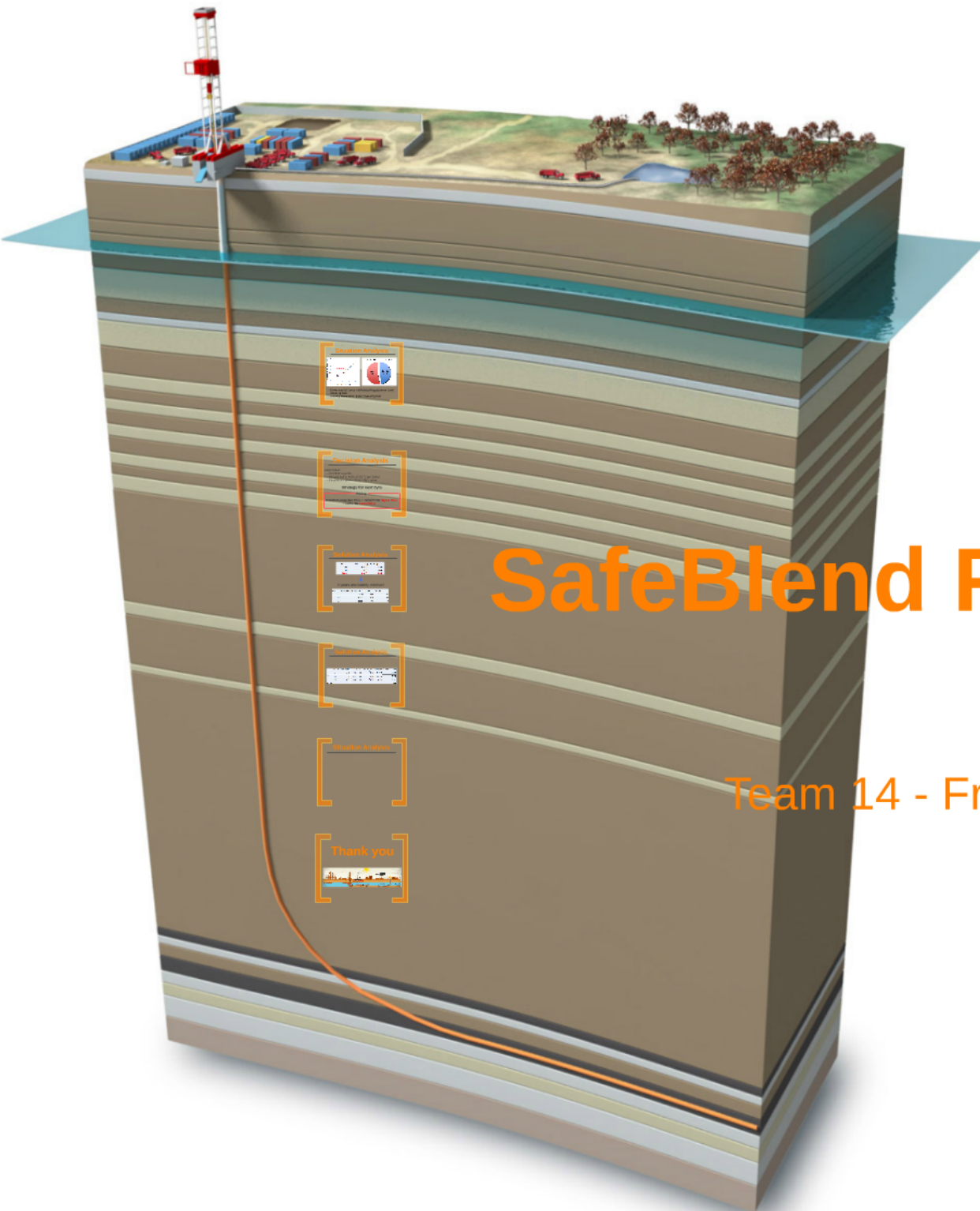


Thecasesolution.com



SafeBlend Fracturing Case

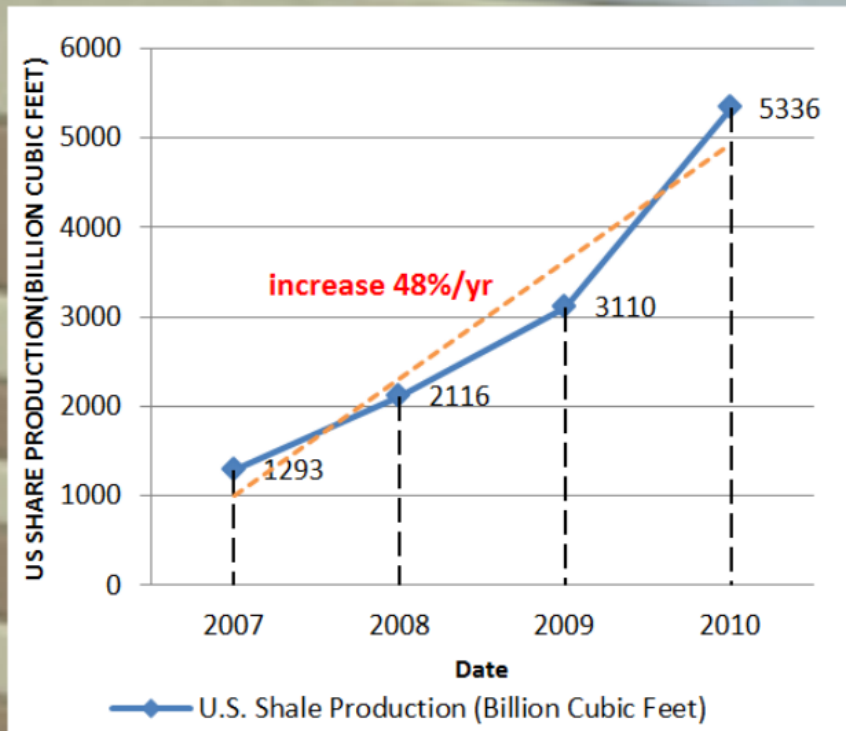
Team 14 - Francisco, Melody, Takuma, Felix



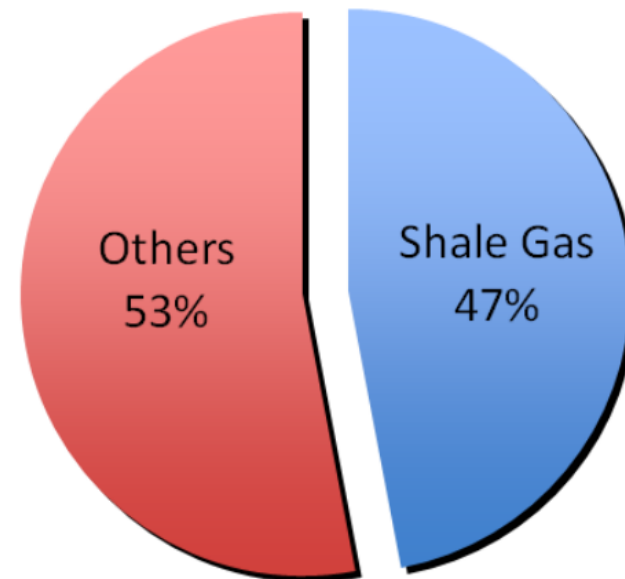
SafeBlend Fracturing Case

Team 14 - Francisco, Melody, Takuma, Felix

Situation Analysis



Source of Gas Production by 2035



- Environmental Concern & Related Regulation on “toxic” fracturing fluid
- Growing Demand for “green” fracturing fluid

Decision Analysis

Assumption:

- No other supplier
- Already sell to AOG at \$0.73 per barrel
- FloatWise's price = 50% * SB's price

Strategy for next 3yrs

Pricing:

$25(50)\% * \text{Competitor Price} + 75(50)\% * \text{SB}$ **Higher Price**
 $> 100\% * \text{SB}$ **Lower Price**

Solution Analysis

SB	FW	Eq. price / gal	
50%	50%	\$	1.99
75%	25%	\$	1.46
100%	0%	\$	0.85



3 years exclusivity contract

Year	Percentage drop from 2011	Price/gal	Cost/gal
2012	41.78%	\$ 0.85	0.4
2013	45.89%	\$ 0.79	0.4
2014	50.00%	\$ 0.73	0.4

[illegible]

Thank you

