

Spinnaker Opportunities Plc

11:34 19 May 2017

Cash shell Spinnaker Opportunities built for success as it looks to fast-track a deal

Veteran small-cap trouble-shooter turned entrepreneur, Andy Morrison, seems intent on fast-tracking his latest venture, which made its stock market debut earlier this week at 5p a share.

Morrison is the chairman of and a leading investor in Spinnaker Opportunities (LON:SOP), which eschewed AIM to take a £1.2mln London Stock Exchange standard listing. Reverse takeover (RTO) deals are already being sifted.

WATCH: Spinnaker Opportunities eyeing up deals in the energy and industrial sectors

The board and advisory team brings a broad range of experience in energy, oil and gas and the industrial sectors as well as legal and accountancy expertise.

Directors' and shareholders' interest aligned

Looking at the listing documentation, the principals are incentivised to get a transformational RTO across the line very quickly as they won't receive a penny in pay until it is sewn up. So this isn't a jobs-for-the-boys, lifestyle company.

There is a share option scheme and a facility for a bonus pool set at 2% of the value of the transaction when it is finally completed.

So the rewards are back-end load and in the case of Morrison, who invested £200,000 of his own money, accrued via a material uplift in the value of the business.

If the shell works the way it is intended then management and shareholders' interests should be perfectly aligned.

It is understood that Morrison and his team have assessed opportunities in the oil and gas sector, mid-stream and down-stream energy and cleantech.

Thirty companies screened

So far they have seen around 30 different companies and has whittled that down to a long-list of seven to eight.

Spinnaker is thought to be keeping the phone lines open for a further few weeks to assess another wave of potential deals.

After that it will be case identifying the two most attractive options, a process which it is thought could take as a little as three months.

Realistically, any movement will to be delayed by the summer break, so autumn looks the most likely timing for an RTO, although it is understood the Spinnaker team has given itself up to a year to enact the transformation and there is a three-year hard deadline.

Price: 4.6p

Market Cap: £1.35M

1 Year Share Price Graph



Share Information

Code: SOP

Listing: LSE

52 week High Low
5.68p 3.101p

Sector: Nonequity Investment Instruments

Website www.spinnakeropportunities.uk

Company Synopsis:

Spinnaker Opportunities PLC is a new cash shell listed on the standard List of the London Stock Exchange. The company, formed by experts in the Oil & Gas and Energy sectors is seeking to target a single business opportunity worth some £5-30m.

Author:

Proactive Investors Ltd

+44 (0)207 989 0813

action@proactiveinvestors.com

Deal size could be anywhere from £5-£30m. The shares were issued with a warrant attached at 7.5p, so you would suspect an RTO would be completed with a share issue above that level.

One market participant noted: "Being a new cash shell there is no baggage, no legacy shareholders; so this looks like a new approach to listing a shell."

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

Proactive Investors is a publisher and is not registered with or authorised by the Financial Conduct Authority (FCA). You understand and agree that no content published constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value or suitability of any particular security, portfolio of securities, transaction, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including company related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.