

Bulldog SPAC Updates

5/8/2018

Trident Acquisition, A SPAC focused on oil and gas or other natural resources opportunities in Eastern Europe is expected to price later this week. This is a \$175 million deal led by Chardan. The structure is quite attractive with initial trust of \$10.20 and a unit comprised of 1 share and 1 full warrant. Sponsors will have 18 months to complete a deal. Sponsors will also purchase 1,150,000 units at \$10 for a total investment of \$11,500,000 (6.5% of deal). These “private” units have no access to funds held in the trust account, and will be worthless if no deal is consummated. On the upside, insiders received 5,031,250 shares of common stock for a nominal cost. These shares could have substantial value if a deal is consummated. So quite a bit at stake here and as with all SPACs incentives are well aligned.

With recent strength in oil prices, SPACS focused on the energy space have caught a bid, and are trading above IPO prices. This bodes well for Trident. **TPG Pace Energy Holdings**, an energy focused SPAC announced a deal in late March to buy the Eagle Ford and Austin Chalk assets from Enervest. TPG SPAC has worked out well for investors. With the units currently trading at \$11.15, investors who participated in the IPO a year ago are looking at a return of 11.5%.