



5 Energy Stocks for Consistent Income

Description

Portfolio diversification reduces investment risk. Investors should analyze their holdings and consider sectors not currently a part of their assets. Consistent returns are available from the top energy companies in Canada — here's a look at five to add to your watchlist.

Cenovus Energy ([TSX: CVE](#))([NYSE: CVE](#)) is a Canadian integrated oil company. The company recently reported that Q1 2014 oil sands production increased 20%. Mr. Brian Ferguson, Cenovus President & CEO, said, "Our oil sands projects are on track and we continue to see value from our integrated business plan. Our strong cash flow and healthy balance sheet allow us to keep our focus on growing total shareholder return."

Cenovus' Christina Lake is a top-tier reservoir. It is one of its two industry-leading oil sands producing projects. In July 2013, the company attained a significant milestone at Christina Lake. It achieved first oil production at phase E, its tenth expansion phase.

This past March, Cenovus Energy declared a quarterly dividend of 0.2662 per share.

Peyto Exploration & Development ([TSX: PEY](#)) explores for and produces unconventional natural gas in the Deep Basin of Alberta. The company has been working on adding production. As of the end of April 2014, it has added approximately 15,000 barrels of oil equivalent per day (boe/d) of new production.

For Q1 2014, production increased 30% (28% per share) from 332 million cubic feet equivalent per day (MMcfe/d) (55,372 boe/d) in Q1 2013 to 433 MMcfe/d (72,209 boe/d) in 2014's Q1.

This week, Peyto's board of directors approved a \$0.02/share increase to the monthly dividend beginning this month. This brings the dividend to \$0.10/share. This is the second dividend increase since the company converted to a dividend-paying, growth corporation at calendar year-end 2010.

Suncor Energy ([TSX: SU](#))([NYSE: SU](#)) is an integrated energy company. The company has generated greater than \$8 billion in free cash flow (operating cash flow minus capital expenditures) over the last three years. For Q1 2014, Suncor Energy recorded cash flow from operations of \$2.880 billion (\$1.96

per common share). It had free cash flow of \$3.226 billion for the 12 months ended March 31, 2014.

By the end of this year, Suncor expects to have the ability to transport over 600,000 boe/d to its refineries and other globally priced markets throughout North America.

Last month, Suncor Energy's board approved a quarterly dividend of \$0.23 per share on the company's common shares.

Talisman Energy (TSX: TLM)(NYSE: TLM) is an upstream oil and gas company. For 2013, the company increased overall production by 4% from Q1 to Q4. For Q1 2014, its production from ongoing operations was 360,000 boe/d. This represents an increase of 6% versus the Q1 2013. The company's cash flow was \$616 million. This represents an increase of 19% year-over-year and 6% from the prior quarter.

This year, Talisman is aiming for 14%-19% liquids growth from the Americas and Asia-Pacific. For Q1 2014, production from its core Americas and Asia-Pacific businesses was 349,000 boe/d. This represents an increase of 5% over the same period in 2013.

This month, Talisman Energy declared a quarterly dividend on its common shares of US\$0.0675 per share.

TransAlta Corp. ([TSX: TA](#))([NYSE: TAC](#)) is a power generation and wholesale marketing company. In 2013, the company re-contracted more than 835 MW of its facilities to provide for long-term cash predictability. For 2014, TransAlta is focusing on re-contracting its Ontario and Australia facilities where agreements roll off in the period from 2016 to 2019. Last month, the company announced that it was named the preferred bidder for the South Hedland Power Project in Western Australia.

Recently, TransAlta reported first quarter 2014 Comparable EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) of \$310 million. This is up \$42 million versus the same period in 2013.

In April, the board of directors declared a quarterly dividend of \$0.18 per share on its common shares.

Consider the energy sector for portfolio diversification to reduce investment risk and achieve healthy returns. An appropriate mix of stocks such as financial, technology, consumer goods, basic materials, and energy provide some portfolio stability. Energy stocks, in the long run, can energize your portfolio for sustained growth.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:SU (Suncor Energy Inc.)
2. TSX:CVE (Cenovus Energy Inc.)
3. TSX:PEY (Peyto Exploration & Development Corp)
4. TSX:SU (Suncor Energy Inc.)
5. TSX:TA (TransAlta Corporation)

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