3 Energy Stocks Poised for Huge Growth Over the Next Decade

Description

It might seem like a bit of a contrarian buy right now, but the energy sector is currently providing investors with a remarkable opportunity.

With the oil and gas industry still struggling to get back to where they were last summer, share prices still remain low. However, that doesn't mean that you should invest in just any energy stock.

In this case, I'd recommend **Suncor Energy Inc.** (TSX:SU)(NYSE:SU), **Cenovus Energy Inc.** (TSX:CVE)(NYSE:CVE), and **Enbridge Inc.** (TSX:ENB)(NYSE:ENB) as the best bang for your buck at this moment. They all have had quite the drop in share price, but they are also poised for an incredible decade-long journey.

Suncor

Suncor, as one of Canada's leading integrated energy companies, was on a path to success until the recent oil slump. In fact, share prices haven't been this high since before the Great Recession in 2008. While the company has had to curtail a few expansion projects that require high capital spending, that doesn't mean they're gone all together.

The energy company isn't exactly hurting. Its integrated operations have created a system of stable cash flow that has limited the impact of any oil price volatility. Once things ramp up again, they are prepared to continue future oil sands projects that could drive significant growth, especially when solvent technology is used.

Analysts are bullish for this stock, and believe in the next 12 months alone it could hit $65 per share. That's likely in anticipation of its first- quarter results, but also since the company announced an increase in its share-buyback program from $2.15 billion to $3 billion — definitely a good sign for any investors looking to get a cut.

Cenovus

Cenovus Energy, also an integrated oil company, is definitely on the lower end when it comes to share price tag, but analysts believe that should change over the next decade. While the company is on the road to expansion, it isn't quite there yet, instead focusing on its solvent-aided process. This process could provide the lowest-cost oil sands production in the industry, but not for a few years.

This is why I'd recommend buying this in anticipation of holding onto it for at least a decade. Once implemented, this process could provide Cenovus with the cost savings it needs to become a major player in the energy sector. And it's already on its way, acquiring the Foster Creek Christina Lake Partnership to show off this new process, albeit at a premium price.

But just because the solvent-aided process is a few years away doesn't mean you'll have to wait to see any increase. Analysts believe that the stock could hit $25 in the next 12 months, and once the process is running full steam ahead, that price could shoot up to at least where it was in 2012 at around $38 per share.

Enbridge

Everyone's favourite energy stock has been on a fairly steady climb since its initial public offering, with only a few hiccoughs in the last number of years. On April 1, the stock reached the lowest it's been since 2012 at $38 per share, and has rebounded in the last month to about $50 per share at the time of writing.

Frankly, I don't get it. The company operates as both a distribution and transportation company, its pipelines carrying hundreds of thousands of oil and gas across Canada and the United States per day. Its Canadian Mainline system alone represents 70% of Canada's pipeline takeaway capacity, and the Line 3 approval will certainly add to that, especially given the company has a number of long-term contracts that'll keep it going for decades to come.

In fact, once Line 3 is operational in 2020 this stock could see major growth, with analysts predicting $60 per share in the next 12 months. With Enbridge looking to expand even further, investors should be excited to see what else this company has down the pipeline.

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