Become a Penny-Stock Millionaire: 3 Stocks Under $5 Hitting New 52-Week Lows

Description

Hey there, Fools. I'm back to highlight three stocks under $5 hitting new 52-week lows. While low-priced stocks carry numerous risks, they can be a source of ideas when looking for

- small, obscure, and ignored companies;
- dirt-cheap bargains; or
- intriguing turnaround situations.

If you have ambitious dreams of turning a $27K TFSA into a million bucks in 20 years, you'll need an annual return of at least 20% to do it. So, although low-priced stocks are on the volatile side, the upside return potential might be worth the risk.

Let's get to it.

Play in the sand

Leading off our list is oil and gas explorer **Athabasca Oil** (TSX:ATH), which is down 57% over the past year and trades near its 52-week lows of $0.71 per share.

Soft oil prices and a hefty debt load have weighed heavily on the stock, but now might be a decent time to take a bite. In the most recent quarter, production was 39,206 boe/d, while adjusted funds flow clocked in at $42 million.

While the company still has net debt of $263 million, liquidity remains healthy at $400 million.

"The company's high-quality, long-life assets provide investors with unique exposure to free cash flow which, combined with focus on strong margin opportunities, drives shareholder returns," writes Athabasca.

Athabasca is down 26% in 2019.

Drilling down

Next up is oilfield services company **Precision Drilling** (TSX:PD)(NYSE:PDS), whose shares are off 49% over the past year and trade near their 52-week lows of $1.62.

While the stock has been battered over the past year amid lower Canadian drilling activity, management's move to re-deploy rigs to U.S. shale is starting to pay off. In Q1, sales improved 8% to $434 million due to higher activity and day rates south of the border.

The company's activity in Canada, meanwhile, was down a significant 33%.

"During the quarter, Precision delivered significant progress on our 2019 strategic priorities with announced debt repayments, strong financial results, and technology commercialization progress," said President and CEO Kevin Neveu.

Precision shares are down 28% over just the past three months.

Wait for the surge

Rounding out our list is oil and gas explorer **Surge Energy** (TSX:SGY), which is down 52% over the past year and currently trading at its 52-week lows of $1.13 per share.

Depressed oil prices have led to heavy losses for Surge over the past several quarters. With that said, the company is beginning to see a turnaround of sorts. In Q1 last month, Surge produced a record 21,630 boe/d, operating cash flow improved 8%, and adjusted funds flow spiked 570%.

"Q1/19 was a solid 'recovery' quarter for Surge, as the extremely weak Q4/18 Canadian crude oil pricing fundamentals quickly turned positive during the period," wrote the company.

Surge Energy shares are down 17% over the past three months.

The bottom line

There you have it, Fools: three contrarian stocks under $5 worth checking out.

As always, don't see them as formal recommendations. Instead, view them as a starting point for more research. Low-priced stocks are particularly fickle beasts, so plenty of homework is still required.

Fool on.

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2. TSX:PD (Precision Drilling Corporation)
3. TSX:SGY (Surge Energy Inc.)

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