



## Become an Energy Millionaire: 2 Energy Stocks Hitting New 52-Week Lows

### Description

Here in Canada, the energy sector has a history of creating many millionaires — those who started [oil and gas](#) companies as well as investors who invested in them.

But these days, this is a faint, distant memory that we have to remind ourselves actually happened, because the value destruction in the energy sector in recent years has been shocking.

As we stand here, on the cusp of a decision on the Trans Mountain pipeline expansion, things may be about to turn. Maybe the glory days for investors in the energy space are coming back. Certainly, the Trans Mountain expansion approval this week, which is looking more and more likely, will be a strong tailwind for this beaten-up sector.

If you're considering upping your weighting into this grossly [undervalued](#) sector, the following two energy stocks are great places to start.

### Tourmaline Oil

Hitting new 52-week lows, **Tourmaline Oil** ([TSX:TOU](#)) stock has lost 73% of its value since hitting highs of over \$58 in 2014.

With an 82% natural gas weighting, Tourmaline has been reeling from a natural gas market that has suffered big from a lack of takeaway capacity and a sharp rise in production (supply). But as far as company-specific factors go, Tourmaline has everything going for it.

Everything that investors should look for in a company, Tourmaline has, such as a strong and flexible balance sheet, which is ever so important, especially in difficult times to ensure survival. Tourmaline has this, with a \$1.5 billion net debt balance which equates to one times debt to cash flow, and 54% drawn on its credit line.

It also has a large land position of 2.1 million acres in prolific areas, such as the B.C. Montney region and the Deep Basin, with a multitude of low-risk drilling opportunities.

And it has significant insider ownership, with management and directors owning 21% of shares outstanding. Not only this, but the management team is a very well-respected one with much success in the oil and gas industry.

## Enerplus

**Enerplus** ([TSX:ERF](#))([NYSE:ERF](#)) is a high-quality energy stock, with consistently superior financials and a history of shareholder value creation in the form of free cash flow generation, dividends, and share buybacks.

In 2017, operating cash flow increased 72%; in 2018, operating cash flow increased 55% to \$739 million, with free cash flow generation of \$160 million. With this strong cash flow generation, Enerplus's capital plans are fully funded, taking much risk off the table. Management has signaled to investors that at oil prices above \$50, they will prioritize shareholder distributions over growth. This means dividend increases are in Enerplus's future; the stock's current dividend yield of 1.35% is due to get higher.

Despite all this, the stock continues to be hit and is now trading at new 52-week lows.

Lastly, Enerplus's balance sheet is also in top shape, with a debt-to-equity ratio of a mere 17%, and a debt to cash flow multiple of well under one, affording the company staying power and a solid position to come out of this cyclical low strong when that cycle turns.

### CATEGORY

1. Dividend Stocks
2. Energy Stocks
3. Investing

### POST TAG

1. Editor's Choice

### TICKERS GLOBAL

1. NYSE:ERF (Enerplus Corporation)
2. TSX:ERF (Enerplus)
3. TSX:TOU (Tourmaline Oil Corp.)

### PARTNER-FEEDS

1. Msn
2. Newscred
3. Sharewise
4. Yahoo CA

## Category

1. Dividend Stocks
2. Energy Stocks
3. Investing

## Tags

1. Editor's Choice

## Date

2025/07/02

## Date Created

2019/06/18

## Author

karenjennifer

default watermark

default watermark