



3 TSX Energy Stocks That Doubled in 2021: Should You Buy?

Description

You just can't ignore energy stocks' rally this year. Crude oil is already up 50% in 2021 amid the beginning of re-openings but some Canadian energy names have gone to the moon. It will be interesting to see where it would take global energy markets when the "new normal" post-pandemic turns up.

Here are **TSX** stocks from the energy sector that doubled so far in 2021. Let's see if there is any steam left with these names.

Tourmaline Oil

Canada's biggest natural gas stock **Tourmaline Oil** ([TSX:TOU](#)) has soared more than 100% so far this year. Superior quarterly earnings growth and overall recovering energy markets fueled the stock this year.

Interestingly, the stock could maintain its momentum in the second half of 2021. The company is well placed to benefit from the increasing demand amid economic re-openings. More importantly, its operational efficiency [improved](#) in the last few quarters, which was seen in its above-average gross margins.

In Q2 2021, Tourmaline Oil reported a net income of \$421 million against a net income of \$20 million in the same quarter last year.

In addition, the company has been aggressively repaying its debt this year, which has notably strengthened its balance sheet. Moreover, the management expects to reach net debt of \$1 billion by the end of this year, improving its debt to cash flow ratio to less than 0.4x.

TOU stock's attractive valuation and a [decent dividend profile](#) could please discerned investors. So, if you are looking for an attractive energy play, Tourmaline Oil could be one of the attractive bets.

Obsidian Energy

Small-cap stocks generally outperform large-caps during the bull market. **Obsidian Energy** ([TSX:OBE](#)) is an apt example. While Canadian energy bigwigs gained big, Obsidian more than doubled in 2021. In fact, the stock broke out in November and has gained almost 900% since then.

Obsidian Energy is a \$280 million mid-sized oil and gas producer capable of producing 25,000 barrels of oil per day. The company's financials somewhat stabilized later last year. In Q2 2021, it reported a net income of \$322 million against a loss of \$21 million in Q2 2020.

After a strong Q2, Obsidian Energy intends to increase its production and capital expenditure for 2021. It also plans to pay down the debt. The management has upped its 2021 free cash flow guidance to \$45 million compared to last year's \$49 million.

Higher crude oil prices could drive OBE stock higher. However, its size and volatile nature make it a relatively riskier bet for [conservative investors](#).

International Petroleum Corporation

A \$950 million **International Petroleum** ([TSX:IPCO](#)) is another Canadian energy stock that zoomed amid rallying oil this year. IPCO stock surged 110% this year and 200% since November 2020.

IPCO is a part of a Lundin Group Company that operates a portfolio of oil exploration assets in Canada, Malaysia, and France. It expects significant free cash flow growth this year due to the strength in crude oil prices.

The company took a deep dent last year amid the pandemic, with its revenues falling 47% year over year. In addition, it reported a net loss of \$78 million in 2020. However, IPCO had a fairly good start to 2021, with a notable improvement in its bottom line. It will report Q2 2021 results on August 3. It will be interesting to see if its Q2 numbers push the stock further higher.

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