



## Why Did Frontera Energy Stock Soar 24% on Tuesday?

### Description

**Frontera Energy** ([TSX:FEC](#)) shares soared 24% on Tuesday after the company [announced](#) more discoveries were made at its Guyana offshore oil location.

### What happened?

Frontera Energy stock flew up 24% in early Tuesday trading after an announcement the previous day about striking oil. The oil was found at its Corentyne Block offshore of Guyana. This recent discovery comes as other large oil and gas companies have also struck oil offshore of Guyana.

The discovery means Frontera Energy stock will also open a second well on the Corentyne Block. This well will likely be up and running by the second half of the year. The Guyanese government has also been in talks with neighbouring Suriname and Brazil, so the three can share in the natural resources. This may open up further opportunities for Frontera and others.

### So what?

The recent news is just more in a string of good news from Frontera Energy stock. The company's initial results were called a "transformational opportunity" for their investments and interests in Guyana, the company said in a statement. Guyana looks like it may soon be one of the new global hotspots for oil, with several other discoveries announced by others this last year.

Frontera Energy stock also announced late [last year](#) that it agreed to acquire 35% interest in Colombia's El Dificil block. The purchase would be US\$13 million and is expected to close in the second half of 2022.

### Now what?

We're still waiting to hear from more analysts, but, meanwhile, at least one weighed in on the news.

**BMO**

Nesbitt Burns analyst Michael Murphy stated Frontera Energy stock should at least “market perform.” He also increased his target to \$12 from \$9. The consensus target price now sits at about \$9.

The analyst was “encouraged” by the results, but, of course, time will tell on what the commerciality is. Still, Guyana seems to be a wealth of opportunity for energy stocks. And right now, that certainly includes Frontera Energy stock.

Shares of Frontera Energy stock are up 22% as of writing, trading at \$12.88 per share.

## CATEGORY

1. Energy Stocks
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## TICKERS GLOBAL

1. TSX:FEC (Frontera Energy Corporation)

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