3 Oil and Gas Stocks That Could Skyrocket Again

Description

2022 has been a great year for oil prices so far. WTI prices have been going up since the beginning of the year, and even though the current prices are far from the year's peak, the chances of it staying above US$90 per barrel are quite high.

And even though the supply constraints are expected to ease, the uncertainty associated with Russian oil and OPEC+ stance and output might trigger another uptick in oil prices.

This could result in some oil and gas stocks going through another major bullish phase.

An energy company focused on South America

Even though Canada has some of the richest oil reserves in the world, there are some Canadian companies that focus on other regions. An example is **Frontera Energy** (TSX:FEC), with its South American focus, primarily on three countries: Ecuador, Colombia, and Guyana. While the company also produces gas, oil is its dominant offering, mainly heavy oil.

The company has exploration assets and production facilities, as well as midstream assets, like oil pipelines to transport the produced oil to export hubs in these countries.

And despite its regional "dissonance" with Canadian oil and gas companies, the stock is riding the growth wave, which pushed its value up 590% in the last 15 months. Yet it's still brutally undervalued, which might indicate another major bullish phase.

An oil and NGL company

Baytex Energy (TSX:BTE)(NYSE:BTE) is a domestic energy company. It's based in Calgary, and its development focus is Western Canada and Eagle Ford in the United States. Even though it markets itself as an NGL company, the bulk of Baytex's production is made up of light and heavy crude. U.S. production makes up about one-third of the production output.

Baytex stock was one of the hardest-hit oil stocks after the 2015 fall. By mid-2014, the stock was trading at just under $50, and since 2016 (after the fall), the price has been under $10.

The fall and consequential undervaluation of the company (relative to its history) allowed it to offer amazing post-pandemic growth to its investors, which, so far, has triggered a 1,750% growth. And since it's still trading at a price-to-earnings multiple of just 1.97, the stock *may* keep soaring up again.

An extraction company

Whitecap Resources (TSX:WCP) is another Canadian energy company that saw a brutal decline after the 2014 energy peak. Over the years, the stock fell well over 78% and then 83% during the pandemic. However, this heavy discount was partly responsible for the potent growth phase that followed the 2020 crash and sent the stock up 1,000%.

The crude oil and natural gas extraction companies are mainly active in three provinces: Alberta, Saskatchewan, and BC. And even though its valuation is not as attractive as the other two, it's still discounted enough to endorse the notion of further capital appreciation. And the cherry on top is that the dividend is still available at a healthy 3.44% yield.

Foolish takeaway

The energy bull market may not run out of momentum anytime soon, and even if the growth that's about to come is paltry compared to the growth the stocks have already exhibited post-pandemic, it might still be significantly more powerful compared to the more conventional growth stocks.

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2. Investing

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2. TSX:FEC (Frontera Energy Corporation)
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