

Edgar Filing: Rosetta Resources Inc. - Form FWP

Rosetta Resources Inc.  
Form FWP  
November 28, 2006

Friedman Billings Ramsey  
Investor Conference, New York  
November 28-29, 2006

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**Disclaimer**  
**Issuer Free Writing Prospectus**  
**Filed Pursuant To Rule 433**  
**Registration Statement No. 333-128888**

**November 28, 2006**

The issuer has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling (713) 335-4000. The prospectus relating to this offering is available by clicking on the following link:

**<http://www.sec.gov/Archives/edgar/data/1340282/000119312506027644/d424b3.htm>**

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**DETERDING #8 - RIO VISTA, CA  
CORPORATE PROFILE**

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**Corporate Profile**

\* Includes non-consent properties of 19.6 Bcfe and PV-10 value of \$73 million.

\*\* Includes non-consent properties.

717 TEXAS AVENUE

HOUSTON, TEXAS

**ROSETTA CORPORATE HEADQUARTERS**

§ Completed 144A Transaction	July 7, 2005
§ Stock Trades on NASDAQ, Symbol:	“ROSE”
§ Shares Outstanding:	50 Million
§ 12/31/05 SEC Proved Reserves:	379 Bcfe *
§ 12/31/05 SEC Proved PV10:	\$1.4 Billion **
§ Proved Developed Reserves:	65%*
§ Net Producing Wells:	Over 500
§ Proved and Probable locations:	Over 600
§ Historical drilling success:	Over 80%
§ Number of employees:	120
§ Principal Offices:	Houston, Denver
§ Field Offices:	Rio Vista, CA Laredo, TX

**Proved SEC Reserves (at 12/31/05)**

*\*Includes non-consent properties, representing 19.6 Bcfe.*

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Production  
(MMCFE/D)

*\* Excludes non-consent properties – (approx. 4 MMcfe/d)*

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	<b>Quarterly Results (in Millions)</b>	
	Three Months Ended September 30, 2006 (Unaudited)	Nine Months Ended September 30, 2006 (Unaudited)
Avg. Production (MMcfe/Day)	95.0	89.5
Realized Price (\$/MCFE)	8.15	8.15
Total Revenues	71.2	199.1
Net Income	11.9	31.4
EPS Diluted	0.24	0.62
Average Shares Outstanding (Diluted)	50.4	50.4

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**Financial Highlights (in Millions)**

	September 30, 2006 (Unaudited)
Cash and Cash Equivalents	\$ 93.7
Total Assets	\$ 1,190.3
Long Term Debt	\$ 240.0
Stockholder's Equity	\$ 812.3
Debt/Total Capital	23%

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*(1) Includes costs of becoming Public Company, SOX implementation and the Calpine Transaction. Performance target to be below \$0.50 per MCFE by mid 2007.*

**2006 Estimated Cash Cost Structure**

**Hedge Position (Mmbtu/day)**

	2006	2007	2008	2009
Fixed Swaps	45,000	36,300	30,876	26,141
Average Price	\$7.92	\$7.62	\$7.30	\$6.99
Additional Fixed Swaps*	--	9,041	9,033	--
Average Price	--	\$8.21	\$8.04	--
Collars	10,000	--	--	--
Floor	\$8.83	--	--	--
Ceiling	\$14.00	--	--	--
Additional Collars*	--	10,000	--	--
Floor	--	\$7.19	--	--
Ceiling	--	\$10.03	--	--
<b>TOTAL VOLUME HEDGED</b>	<b>55,000</b>	<b>55,341</b>	<b>39,909</b>	<b>26,141</b>

•  
*Rosetta uses hedges to lower exposure to commodity volatility.*

•  
*It also provides a stable cash flow for future acquisitions and our extensive capital program.*

*\* Added additional hedges in September 2006*

**Calpine Transaction**

§

Contractual gas sales continuing.

§

Non-consent property status report presented to Calpine.

§

Settlement discussions underway.

§

Objective is global solution:

§

Calpine conveys good title for non-consent properties for \$68 MM.

§

Preferential right properties retained by Calpine. Rosetta retains approximately \$7 MM.

§

Settlement statement finalized.

§

Other administrative matters settled to satisfaction of Rosetta.

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**DRIVER 20-1**  
**SACRAMENTO BASIN, CALIFORNIA**  
**Operations Update**

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**Sacramento Basin**

§

167 producing wells and over 62,000 net acres in the Rio Vista Field.

§

Current average net production 46 MMcfe/d\*.

§

143 currently shut-in or idle wells, over 130 workover and recompletion projects.

§

Numerous wells identified that are believed to contain bypassed pay. Currently attempting to acquire rights to these wellbores.

§

Began a drilling program in early November 2005, drilled 22 wells to date, 21 successful one dry hole, 13 of these wells currently on production, 4 additional wells to be producing by the end of November 2006.

§

Expect to drill an additional 3 to 4 wells in 2006. One drilling rig active in field.

§

Four completion rigs currently working on Rosetta properties in the Rio Vista Field area. Performed 21 recompletions since June 30, 2005.

***\*Includes cured non-consent  
properties.***

**Rio Vista Wells**  
**(November 5, 2005 to September 30, 2006)**

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**Rio Vista Production (MMCFE/D)**  
**Forecast**  
**Rio Vista Daily Wellhead Production – Gross Operated**  
**Current rate = 56**  
**MMCFE/D**

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§

Recently drilled wells have extended the Upper, Middle, Lower Capay and also the Martinez within the Rio Vista Gas Field.

§

Two Capay wells drilled in the Southern Extension, RVGU 265 and RVGU 270 are producing 0.7 and 1.2 MMCFE/D respectively and the two Martinez wells drilled in the extension, Twitchell 4 and Twitchell 5 are producing 2.0 and 3.5 MMCFE/D respectively.

§

This extension has added 18 Bcf of reserve potential.

**Rio Vista – Upper Capay and Martinez**

Capay Extension

Martinez Extension

**Southern Extension**

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**Sacramento Basin – Bradford Island 3D Shoot**

•  
Acquiring 12.0 sq. mi. (~7700 acres) proprietary 3D seismic data over the Southern Rio Vista Gas Unit.  
Approximately 70% (~5400 acres) of the 3D covers acreage with no seismic coverage.

•  
**Prospective zones include the**  
Nortonville, Capay, Hamilton,  
Martinez, and McCormick.

•  
Historically only 17 wells in  
survey – only 4 below 5000'

•  
Estimated 20 BCF reserve potential.

•  
Total Estimated cost \$1.5 Million

•  
Expect to complete acquisition in December 2006

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**Rio Vista - Winters Play**

Rio Vista Unit

§

Over 1.1 Tcf of gas produced to the North, East and South of Rio Vista field through the end of the third quarter.  
Only 5 penetrations to date in this 90-square mile field area.

§

Welch 13 well drilled in April in the Winters with producing rate of 3.4 MMcfe/d (net) as of the end of the third quarter.

§

Wilcox 13 has good mud log shows in the K1 but not logged due to hole conditions.

§

Wilcox 14 well has good mud log shows and calculated pay on open hole logs but tests show zone to be wet. Maddie location to be drilled with deep rig in 2007.

§

Identification of additional locations is currently underway. Plans underway for K1 test in Wilcox 13 fault block.  
May sidetrack Wilcox 14.

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**South Texas Trends**

Miocene and Frio Amplitude Plays  
Anomalina and Vicksburg Amplitude Plays  
Upper Wilcox Structural Plays  
Lobo Play  
Perdido Play  
Middle and Lower Wilcox Plays  
Sligo Reef Structural Plays

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**EL COROZON RANCH #2  
WEBB COUNTY, TEXAS  
LOBO DISTRICT**

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**S. Callaghan and El Corazon Ranch (42,000 *est.* of the total) acreage  
South Texas – Lobo**

•

Drilled 18 successful wells to date.  
Net production for the first 17 wells is  
currently 25.4 MMcfe/d.

2006 Dry Hole

Next 12 months Drilling Inventory

Future Location

2006 Discovery

Currently Drilling

Current Producer

•

The Company has approximately 70,000 net acres (*est.*) square miles of 3-D seismic.

•

Current net production is 43

•

277 active operated and 117 non-operated wells.  
MMcfe/day which is over double the  
January 2006 rate of 21 MMcfe/day.

•

Over 100 proved and probable  
locations.

•

Two rigs under contract.

•

Plan to drill 4 additional wells in 2006  
(2 drilling now).

**LOBO**  
**TYPE CURVES – ALL RESERVOIRS**

Average Gross Production by  
well based on 161 wells drilled  
through July, 2006.

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**LOBO**  
**NORMALIZED PRODUCTION CUMULATIVES**

Average Gross Production by  
well based on 161 wells drilled  
through July, 2006.

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**South Texas - Lobo**  
**Current Gross Production**  
**59 MM per day**  
**AVERAGE GROSS MMCFE/D**  
**ESTIMATED FUTURE DRILLING \***  
**PROVED DEVELOPED**

*\* Does not include any new acreage or acquisitions and  
Assumes drilling of 30 successful wells per year and spending an estimated \$53 MM  
per year.*

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**South Texas – Perdido**

§

Company owns a 50% non-operated working interest in approximately 18,000 net acres (est.) in the Perdido Sand Trend.

§

Horizontal drilling has been very successful in developing these sands at 9,500 to 12,000 feet.

§

Currently have 31 producing wells of which 10 are horizontal.

§

Current net production is 9 MMcfe/d.

§

5 new horizontal wells drilled in 2006 to date. They are producing a total of 9.5 MMcfe/d (gross).

§

48 future locations planned as horizontal wells.

§

There are 2 wells currently drilling.

Current horizontal producers

Approved horizontal locations

Future horizontal locations

Perdido Acreage

Currently drilling

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**PERDIDO**  
**TYPE CURVES HORIZONTAL WELLS – ALL RESERVOIRS**

Average Gross Production by  
well based on 7 wells drilled  
through August, 2006.

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**PERDIDO**

**NORMALIZED HORIZONTAL WELLS PRODUCTION CUMULATIVES**

Average Gross Production by well based on 7 wells drilled through August, 2006.

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**Gulf of Mexico Activity Areas**

§

Working interest in 11 blocks ranging from 20% to 100% (NRI of 15% - 79%).

§

Current net production is 8.5 MMcfe/day from 8 producing wells.

§

22,000 net acres (*est.*) under lease.

§

A recent discovery at Main Pass 118 tested 12.4 MMcf/day and 512 Bbls/day,  
gross.

§

Successful bidder in 2006 offshore lease sale with 50% working interest as non-operator in S. Timbalier Block 293 and Block 226 and 25% in East Cameron Block 178.

**HIGH ISLAND BLOCK 442**  
**EAST CAMERON BLOCKS 88-89**  
**EAST CAMERON BLOCK 178**  
**MAIN PASS BLOCK 118**  
**SOUTH TIMBALIER BLOCK 226**  
**SOUTH TIMBALIER BLOCK 293**  
**SOUTH PELTO BLOCK 17**

*New Leases*  
*Current Producer*  
*Awaiting Platform*  
*Updated 11/8/06*

**Texas State Waters**

•

Currently drilling Dolphin Project with TD of 15,250

**T B - 2**

**St Tr 100 Ut**

**Bonefish**

**Kerr McGee Farm-Out**

**Dolphin**

Producing

Waiting on Completion

Location

Rosetta Acreage

**TEXAS STATE WATERS**

•

The Company is exploring in the Vicksburg and Frio trends in Galveston Bay, Texas, pursuing sands that exhibit strong hydrocarbon indicators on 3-D seismic.

•

Current net production is 2.1 MMcfe/day.

•

Four successful wells drilled to date. One is shut-in waiting on fracture-stimulation.

•

Five additional locations are planned, with working interest of 28.9% to 40%.

•

We have entered into a Joint Venture with Davis Petroleum in Sabine Lake (2100 gross acres) slated to drill in 2007. Rosetta will be the operator.

**Rocky Mountains – DJ Basin**

§

Producing formation – Niobrara chalk at 2,300 - 2,500 feet.

§

Company owns 81,500 net acres in this shallow gas play.

§

54 wells drilled through November 9th, 48 successful (88% success rate). All of the wells (28) in the Republican River 3D look very good on logs, averaging 7 ohms resistively up to a maximum of 17 ohms with gas effect over the Niobrara Chalk. Continuing to stake locations on two other 3-D surveys.

§

Expect to drill approximately 200 additional locations on our existing leases and leases being finalized with 60 planned in 2006.

§

61 square miles of 3-D seismic acquired in 2006 on this 3-D supported play.

§

Drilling and completion cost per well is approximately \$225,000.

**DJ Basin**

Rosetta Leases

**Investment Considerations**

§

Quality Asset Base

§

Production Growth Momentum

§

Significant Drilling Location Inventory

§

Competitive Cost Structure

§

Strong Balance Sheet

§

Experienced Technical Staff, Making Use of Industry  
Best Practices and State of the Art Technology.

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**EAST CAMERON BLOCK 89**  
**#16 OFFSHORE, LOUISIANA**  
**CONCLUSION**

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*Forward-Looking Statements*

Forward-Looking Statements: All statements, other than statements of historical fact, included in this presentation are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based upon current expectations and are subject to a number of risks, uncertainties and assumptions, which are more fully described in Rosetta Resources Inc.'s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission. These risks, uncertainties and assumptions could cause actual results to differ materially from those described in the forward-looking statements. Rosetta Resources Inc. assumes no obligation and expressly disclaims any duty to update the information contained herein except as required by law.

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