Rosetta Resources Inc.
Form 424B5
April 22, 2013
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-180439

CALCULATION OF REGISTRATION FEE

Class of securities registered	Amount to be registered	Offering price per share	Aggregate offering price	Amount of registration fee(1)
Common stock, par value $0.001 per share	8,050,000	$42.50	$342,125,000	$46,666

(1) The filing fee, calculated in accordance with Rule 457(r), has been transmitted to the SEC in connection with the securities offered from Registration Statement File No. 333-180439 by means of this prospectus supplement.

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PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MARCH 29, 2012

7,000,000 Shares

Rosetta Resources Inc.

Common Stock

We are offering 7,000,000 shares of our common stock.

Our common stock is listed on the NASDAQ Global Select Market under the symbol ROSE. On April 17, 2013, the last reported sale price of our common stock on the NASDAQ Global Select Market was $42.85 per share.

The underwriters have an option for a period of 30 days to purchase a maximum of 1,050,000 additional shares of our common stock.

Investing in our common stock involves risks. Please read Risk Factors beginning on page S-10 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement.

	Price to Public	Underwriting Discounts and Commissions	Proceeds to Rosetta Resources Inc.
Per Share	$42.50	$1.70	$40.80
Total	$297,500,000	$11,900,000	$285,600,000

Delivery of the shares of common stock will be made on or about April 23, 2013.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus to which it relates is truthful or complete. Any representation to the contrary is a criminal offense.

Credit Suisse **BofA Merrill Lynch**

J.P. Morgan **Morgan Stanley** **Wells Fargo Securities** **BMO Capital Markets** **Citigroup**

Canaccord Genuity **KeyBanc Capital** **Johnson Rice &** **Simmons & Company** **Wunderlich Securities**

Markets	**Company L.L.C.**	**International**

The date of this prospectus supplement is April 18, 2013.

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PROSPECTUS SUPPLEMENT

PROSPECTUS

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in two parts. The first part is the prospectus supplement, which describes the specific terms of this offering. The second part, the accompanying prospectus, including the documents incorporated by reference, provides more general information, some of which may not apply to this offering. The accompanying prospectus was filed as part of our registration statement on Form S-3 (Registration No. 333-180439) with the Securities and Exchange Commission (the SEC) on March 29, 2012, as part of a shelf registration process. Under the shelf registration process, we may offer to sell senior debt securities, subordinated debt securities, common stock, preferred stock, and guarantees of debt securities, from time to time, in one or more offerings in an unlimited amount. Generally, when we refer to this prospectus supplement, we are referring to both parts of this document combined. We urge you to carefully read this prospectus supplement, the information incorporated by reference, the accompanying prospectus, and any free writing prospectus that we authorize to be distributed to you before buying any of the securities being offered under this prospectus supplement. This prospectus supplement may supplement, update or change information contained in the accompanying prospectus. To the extent that any statement that we make in this prospectus supplement is inconsistent with statements made in the accompanying prospectus or any documents incorporated by reference therein, the statements made in this prospectus supplement will be deemed to modify or supersede those made in the accompanying prospectus and such documents incorporated by reference therein.

You should rely only on the information contained in or incorporated by reference in this prospectus supplement and the accompanying prospectus and in any written communication from us or the underwriters, including any free writing prospectus. If information in this prospectus supplement is inconsistent with the accompanying prospectus, you should rely on this prospectus supplement. We have not, and the underwriters have not, authorized anyone to provide you with different information. We are not, and the underwriters are not, making an offer of these securities in any state where the offer or sale is not permitted. You should not assume that the information provided by this prospectus supplement, the accompanying prospectus or the documents incorporated by reference in this prospectus supplement and in the accompanying prospectus is accurate as of any date other than their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Before you invest in our common stock, you should carefully read the registration statement described in the accompanying prospectus (including the exhibits thereto) of which this prospectus supplement and the accompanying prospectus form a part, as well as this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The incorporated documents are described in this prospectus supplement under Incorporation By Reference.

Unless otherwise indicated or the context otherwise requires, all references to Rosetta, the Company, we, us and our in this prospectus supplement refer to Rosetta Resources Inc. and its direct and indirect subsidiaries on a consolidated basis.

INCORPORATION BY REFERENCE

The SEC allows us to incorporate by reference the information that we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is an important part of this prospectus supplement, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents and all documents that we subsequently file with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act) (other than information furnished rather than filed):

- our Annual Report on Form 10-K for the year ended December 31, 2012;

- our Current Reports on Form 8-K filed on January 17, 2013, February 26, 2013, March 20, 2013 and the two Current Reports on Form 8-K filed on April 15, 2013 (other than the portions of those documents furnished under Item 2.02 and Item 7.01); and

- our Definitive Proxy Statement on Schedule 14A filed on March 27, 2013.

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FORWARD-LOOKING STATEMENTS

This prospectus supplement includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act, Section 27A of the Securities Act of 1933, as amended (the Securities Act), and Section 21E of the Exchange Act that are subject to risks and uncertainties. All statements other than statements of historical fact included in this document are forward-looking statements, including, without limitation, all statements regarding future plans, business objectives, strategies, expected future financial position or performance, expected future operational position or performance, budgets and projected costs, future competitive position, or goals and/or projections of management for future operations. In some cases, you can identify a forward-looking statement by terminology such as may, will, could, should, would , expect, plan, project, intend, anticipate, believe, forecast, estimate, predict, potential, pursue, target or continue, the variations thereon, or other comparable terminology.

The forward-looking statements contained in this document are largely based on our expectations for the future, which reflect certain estimates and assumptions made by our management. These estimates and assumptions reflect our best judgment based on currently known market conditions, operating trends, and other factors. Although we believe such estimates and assumptions to be reasonable, they are inherently uncertain and involve a number of risks and uncertainties that are beyond our control. As such, management s assumptions about future events may prove to be inaccurate. For a more detailed description of the risks and uncertainties involved, see Risk Factors beginning on page S-10 of this prospectus supplement and on page 1 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012. We do not intend to publicly update or revise any forward-looking statements as a result of new information, future events, changes in circumstances, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions you that the forward-looking statements contained in this prospectus supplement, the accompanying prospectus or the documents incorporated by reference herein and therein are not guarantees of future performance, and we cannot assure you that such statements will be realized or that the events and circumstances they describe will occur. Factors that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements herein include, but are not limited to:

our ability to consummate the Acquisition and to realize the expected benefits therefrom;

the impact of title and environmental due diligence on the value of the Permian Basin Assets;

our ability to maintain leasehold positions that require exploration and development activities and material capital expenditures;

unexpected difficulties in integrating our operations as a result of any significant acquisitions, including the Acquisition;

the supply and demand for oil, natural gas liquids (NGLs) and natural gas;

changes in the price of oil, NGLs and natural gas;

general economic conditions, either internationally, nationally or in jurisdictions where we conduct business;

conditions in the energy and financial markets;

our ability to obtain credit and/or capital in desired amounts and/or on favorable terms;

the ability and willingness of our current or potential counterparties or vendors to enter into transactions with us and/or to fulfill their obligations to us;

failure of our joint interest partners to fund any or all of their portion of any capital program;

the occurrence of property acquisitions or divestitures;

- reserve levels;
- inflation;
- competition in the oil and natural gas industry;
- the availability and cost of relevant raw materials, equipment, goods and services;
- changes or advances in technology;
- potential reserve revisions;
- the availability and cost, as well as limitations and constraints on infrastructure required to gather, transport, process and market oil, NGLs and natural gas;
- performance of contracted markets, and companies contracted to provide transportation, processing and trucking of oil, NGLs and natural gas;
- developments in oil-producing and natural gas-producing countries;
- drilling and exploration risks, including with respect to the Permian Basin Assets to be acquired which do not have substantial existing production or proved reserves;
- legislative initiatives and regulatory changes potentially adversely impacting our business and industry, including, but not limited to, changes in national healthcare, cap and trade, hydraulic fracturing, state and federal corporate income taxes, retroactive royalty or production tax regimes, environmental regulations and environmental risks and liability under federal, state and local environmental laws and regulations;
- effects of the application of applicable laws and regulations, including changes in such regulations or the interpretation thereof;
- present and possible future claims, litigation and enforcement actions;
- lease termination due to lack of activity or other disputes with mineral lease and royalty owners, whether regarding calculation and payment of royalties or otherwise;
- the weather, including the occurrence of any adverse weather conditions and/or natural disasters affecting our business;

- factors that could impact the cost, extent and pace of executing our capital program, including but not limited to, access to oilfield services, access to water for hydraulic fracture stimulations and permitting delays, unavailability of required permits, lease suspensions, drilling, exploration and production moratoriums and other legislative, executive or judicial actions by federal, state and local authorities, as well as actions by private citizens, environmental groups or other interested persons;

- sabotage, terrorism and border issues, including encounters with illegal aliens and drug smugglers; and

- any other factors that impact or could impact the exploration and development of oil or natural gas resources, including but not limited to the geology of a resource, the total amount and costs to develop recoverable reserves, legal title, regulatory, natural gas administration, marketing and operational factors relating to the extraction of oil and natural gas.

All written and oral forward-looking statements attributable to us are expressly qualified in their entirety by such factors. For additional information with respect to these factors, see Incorporation by Reference.

The management estimates regarding our 2013 capital budget, production and exit production provided in Prospectus Supplement Summary Recent Developments Production are forward-looking statements. Accordingly, prospective purchasers should not place undue reliance on these estimates, and they should not be regarded as a representation that the anticipated production will be achieved. Additional information regarding the risks and uncertainties that affect our business are contained in Risk Factors beginning on page S-10 of this prospectus supplement and the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2012, which is incorporated by reference herein. The guidance set forth in Prospectus Supplement Summary Recent Developments Production should be read in conjunction with this section and Cautionary Statement Regarding Forward-Looking Statements on page 1 of the accompanying prospectus.

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MARKET AND INDUSTRY DATA

Market and industry data and forecasts included or incorporated by reference in this prospectus supplement have been obtained from independent industry sources as well as from research reports prepared for other purposes. Although we believe these third-party sources to be reliable, we have not independently verified the data obtained from these sources and we cannot assure you of the accuracy or completeness of the data. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward-looking statements included or incorporated by reference in this prospectus supplement.

NON-GAAP FINANCIAL MEASURES

We refer to the terms EBITDA and Adjusted EBITDA in this prospectus supplement. EBITDA is calculated as net income, excluding income tax expense, interest expense, net of interest capitalized, other income (expense), net, and depreciation, depletion and amortization. Adjusted EBITDA is calculated as EBITDA excluding unrealized gains or losses on derivative instruments and stock-based compensation expense. This is a supplemental financial measure that is not prepared in accordance with U.S. generally accepted accounting principles (GAAP). Any analysis of non-GAAP financial measures should be used only in conjunction with results presented in accordance with GAAP. We believe that EBITDA and Adjusted EBITDA are widely accepted financial indicators that provide additional information about our financial performance and our ability to meet our future requirements for debt service, capital expenditures and working capital, but EBITDA and Adjusted EBITDA should not be considered in isolation or as a substitute for net income, operating income, net cash provided by operating activities or any other measure of financial performance presented in accordance with GAAP or as a measure of a company s profitability or liquidity. EBITDA and Adjusted EBITDA are used by our management for various purposes, including as measures of operating performance, as a basis for planning, in presentations to our board of directors, and with certain adjustments, by our lenders pursuant to covenants under our revolving credit agreement. Our definitions of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

The SEC has adopted rules to regulate the use in filings with the SEC and in public disclosures of non-GAAP financial measures, such as EBITDA, Adjusted EBITDA and ratios related thereto. These measures are derived on the basis of methodologies other than in accordance with GAAP. These rules govern the manner in which non-GAAP financial measures are publicly presented and require, among other things:

- a presentation with equal or greater prominence of the most comparable financial measure or measures calculated and presented in accordance with GAAP; and
- a statement disclosing the purposes for which the company s management uses the non-GAAP financial measure.

The rules prohibit, among other things:

- the exclusion of charges or liabilities that require, or will require, cash settlement or would have required cash settlement, absent an ability to settle in another manner, from a non-GAAP liquidity measure; and
- the adjustment of a non-GAAP performance measure to eliminate or smooth items identified as non-recurring, infrequent or unusual, when the nature of the charge or gain is such that it has occurred in the past two years or is reasonably likely to recur within the next two years.

We also refer to PV-10 in this prospectus supplement. PV-10 is a non-GAAP financial measure and represents the present value of estimated future cash inflows from proved oil and natural gas reserves, less future development and production costs, discounted at 10% per annum to reflect timing of future cash inflows and using the twelve month unweighted arithmetic average of the first-day-of-the-month price for each of the preceding twelve months. PV-10 differs from the standardized measure of discounted future net cash flows because it does not include the effects of income taxes. Neither PV-10 nor standardized measure represents an estimate of fair market value of our oil and natural gas properties. PV-10 is used by the industry and our management as an arbitrary reserve asset value measure to compare against past reserve bases and the reserve bases of other business entities that are not dependent on the taxpaying status of the entity.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights information from this prospectus supplement and the accompanying prospectus to help you understand the offering. You should read carefully the entire prospectus supplement, the accompanying prospectus and the documents incorporated by reference herein and therein for a more complete understanding of this offering. You should read Risk Factors beginning on page S-10 of this prospectus supplement and on page 1 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012, for more information about important risks that you should consider before making an investment in our common stock.

We have defined certain oil and gas industry terms used in this document in the Glossary of Oil and Gas Terms beginning on page S-32 of this prospectus supplement. Unless otherwise indicated or the context requires otherwise, references to Rosetta, the Company, we, us and our mean Rosetta Resources Inc. and its direct and indirect subsidiaries on a consolidated basis.

Rosetta Resources Inc.

We are an independent oil and natural gas company engaged in the exploration, development, acquisition and production of oil, NGLs and natural gas from unconventional resource plays. Our operations are currently focused in the Eagle Ford area of South Texas, where we hold approximately 67,000 net acres, with 53,000 net acres located in the liquids-rich area of the play. For 2012, the Eagle Ford area provided approximately 96% of our total production, with approximately 60% of that production attributable to crude oil and NGLs. Our activities within the Eagle Ford to date have targeted the delineation and development of four core areas, including the Gates Ranch, Karnes Trough, Dimmit County and Briscoe Ranch areas. We intend to continue to exploit the resource potential within these areas and believe these areas provide us with a multi-year project inventory of attractive investment opportunities under current commodity prices.

As of December 31, 2012, we had an estimated 201 MMBoe of proved reserves, of which approximately 58% were liquids and 37% was proved developed. Our reserves had an estimated standardized measure of discounted future net cash flows of $1.8 billion and a PV-10 value of $2.4 billion as of December 31, 2012. See Non-GAAP Financial Measures for a definition of PV-10 and Summary Historical and Pro Forma Reserve and Operating Data for a reconciliation to standardized measure. Our production comes primarily from the Eagle Ford area, which averaged 35.9 MBoe per day in 2012, an increase of 67% from the prior year. Approximately 59% of our total production was attributable to oil and NGLs. As part of our strategic decision to focus on the Eagle Ford area, over the past several years we divested certain natural gas-based assets that we believe did not offer the same investment opportunities or rates of return as our unconventional resources.

Our principal executive offices are located at 717 Texas, Suite 2800, Houston, Texas 77002, and our telephone number is (713) 335-4000. Our website is www.rosettaresources.com. The information included on our website is not part of, or incorporated by reference into, the prospectus supplement.

Acquisition of Permian Basin Assets

On March 14, 2013, we entered into a purchase and sale agreement with Comstock Resources, Inc. (the Comstock PSA) to acquire oil and natural gas assets in the Permian Basin for a purchase price of approximately $768 million, subject to customary purchase price adjustments. We refer to the assets to be acquired as the Permian Basin Assets and the transaction with Comstock Resources, Inc. as the Acquisition.

The Permian Basin Assets consist of 53,306 net (87,373 gross) acres located in Reeves and Gaines counties in West Texas. The Permian Basin Assets located in Reeves County include 40,182 net acres and 74 producing (52 operated) wells that primarily target the Wolfbone shale play located in the Delaware Basin, providing access to oil-rich, multi-pay areas. The average daily production of the Permian Basin Assets for March 2013 is estimated to have been approximately 2.9 MBoe per day, of which approximately 80% is estimated to have been oil. We will be the operator for the majority of the assets acquired in Reeves County. The Permian Basin Assets in Gaines County cover 13,124 net acres in the Midland Basin and are currently un-delineated.

The Comstock PSA contains customary conditions to closing, including, but not limited to, title and environmental due diligence and other closing conditions. We expect the Acquisition to close on or before May 14, 2013, with an effective date of January 1, 2013; however, there can be no assurance that all of the conditions to closing the Acquisition will be satisfied or that the Acquisition will be consummated.

Business Strategy

Our strategy is to deliver sustainable growth from unconventional onshore domestic basins through sound stewardship, wise capital resource management, taking advantage of business cycles and emerging trends and minimizing liabilities through governmental compliance and protecting the environment. Below is a discussion of the key elements of our strategy.

Exploit Existing Eagle Ford Asset Base. The Eagle Ford area has become a major source of our production and reserves and reflects the success of our transition to an unconventional resource focused company. The Eagle Ford area accounted for approximately 96% of our total production for 2012. In addition, approximately 60% of the production from the Eagle Ford area in 2012 was from crude oil and NGLs. We believe that our extensive inventory of investment opportunities in the Eagle Ford area has the potential to provide attractive economic returns, and we plan to continue to deploy capital to develop this area. As of December 31, 2012, approximately 12% of our Eagle Ford inventory was developed, providing an opportunity to further expand our production base.

Grow Oil and Liquids Production within the Permian. When completed, the acquisition of the Permian Basin Assets will provide us the entry into a new basin. This will provide us (i) additional diversity in our asset base in another unconventional resource play, (ii) an extensive inventory of additional investment opportunities and (iii) an expected increase in our production volumes. We expect the Permian Basin Assets to provide attractive single well economics and a base from which we may build a substantial development program. Furthermore, we believe there to be significant upside potential from these assets because of the exposure they provide to multiple, oil and liquids-rich stacked pay zones and vertical down-spacing.

Successfully Execute Our Business Plan. We seek to manage all elements of our cost structure, including drilling and operating costs, as well as overhead costs. We strive to minimize our drilling and operating costs by concentrating our activities within existing and new unconventional resource play areas where we can achieve efficiencies through economies of scale. As part of our strategy to minimize costs, we have taken aggressive steps to ensure access to transportation and processing facilities, specifically within the Eagle Ford area, a region where midstream services are in high demand and infrastructure is under construction.

Test Future Growth Opportunities. Our strategy involves the potential deployment of free cash flow expected to be generated by our existing Eagle Ford area assets in the near term for the acquisition of assets and leasehold positions in the Eagle Ford area, as well as new basins. The acquisition of the Permian Basin Assets exemplifies our implementation of this strategy. We intend to maintain, further develop and apply our technological expertise, which helped us achieve a net drilling success rate of 100% in 2012 and helped us establish a major production base in the Eagle Ford area, to the Permian Basin Assets. Through the use of advanced geological and geophysical technologies, detailed petrophysical analyses, advanced reservoir engineering and sophisticated drilling, completion and stimulation techniques, we expect to continue to grow our reserves, production and project inventory. We intend to extend our operational footprint in the Eagle Ford area, the Permian Basin and other areas in the United States characterized by a significant presence of resource potential that can be exploited utilizing our technological expertise. This will include programs to test and assess downspacing and horizontal drilling operations for the Permian Basin Assets. We strive to minimize the cost of entry into these plays through financial discipline in our leasehold acquisition activities and prudent management of financial and operational resources during the testing phase.

Maintain Financial Strength and Flexibility. As of December 31, 2012, we had $415.0 million available for borrowing under our senior secured revolving credit facility (the revolving credit facility). We expect internally generated cash flows, supplemented by borrowings under our revolving credit facility, to provide financial flexibility to further develop our assets (including the Permian Basin Assets) in the next few years. In addition, on April 12, 2013, we entered into an amendment to our revolving credit agreement to increase our borrowing base to $800 million, and our borrowing capacity as of such date was equal to $495 million. We intend to continue to actively manage our exposure to commodity price risk in the marketing of our oil, NGL and natural gas production. We have entered into a series of commodity derivative contracts through 2015 as part of this strategy.

Our Strengths

We have a number of competitive strengths that we believe will help us to successfully execute our business strategies:

Liquids Rich Asset Base in Leading Resources Plays. We believe we have assembled a strong asset base within the Eagle Ford area. Our Eagle Ford area assets provide us with a multi-year inventory of highly economic drilling opportunities under current commodity prices. We plan to grow reserves, production and cash flow from the Eagle Ford area by continuing to develop our undeveloped acreage, delineating acreage in emerging areas, increasing well density and optimizing reserve recovery practices and testing additional horizons. We expect the Permian Basin Assets will add to our inventory of repeatable development opportunities and provide the potential for additional long-term reserve, production and cash flow growth. We plan to exploit these assets through additional development drilling, vertical down-spacing and further delineation of producing and prospective horizons.

Resource Assessment Capability and Multi-year Drilling Inventory. We have established multidisciplinary teams that are skilled at conducting comprehensive resource assessments. This work helps us identify and catalog an inventory of low to moderate risk opportunities that have provided us with multiple years of drilling projects. We expect to continue adding to our portfolio of non-proved resource inventory over time from our existing Eagle Ford area properties and the Permian Basin Assets we are acquiring, as well as from additional investment opportunities which we will evaluate as they arise.

High Degree of Operational Control. We operate approximately 100% of our estimated proved reserves in the Eagle Ford area. Additionally, we have a high working interest in most of our properties and relatively low capital requirements to maintain our leasehold interests. These factors allow us to more effectively manage and control the timing of capital spending on our exploration and development activities, as well as achieve opportunities for operating cost efficiencies that may arise. The Permian Basin Assets to be acquired are consistent with our philosophy of high working interest, operated properties.

Management Team and Technical Staff with Extensive Operating Experience. Our executive management team has an average of 30 years of experience, with specific expertise in the areas where our core properties are located. On February 26, 2013, James E. Craddock became our Chairman, President and Chief Executive Officer. Mr. Craddock has more than 30 years of experience in the energy industry, most recently serving as our Senior Vice President of Drilling and Production Operations. Along with Mr. Craddock, our entire executive management team has extensive experience in successfully executing multi-year development drilling programs to create shareholder value. Our executive management team is supported by a technical staff that consists of 41 geologists, geophysicists, landmen, engineers and technicians, averaging of over 18 years of relevant technical experience.

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Recent Developments

Revolving Credit Facility Amendment

On April 12, 2013, we entered into an amendment to our amended and restated senior revolving credit agreement (the revolving credit agreement) pursuant to which our revolving line of credit under the agreement was increased from $750 million to $1.5 billion, subject to a borrowing base. Our borrowing base was increased to $800 million and the maturity date was extended from May 2016 to May 2018. Additionally, the amendment provides that if we achieve an investment grade rating, we will no longer be subject to the covenant restricting the payment of dividends. Under the revolving credit agreement, our borrowing base is subject to adjustment upon the issuance of senior notes. In connection with the amendment, we received from the lenders a waiver of this borrowing base reduction relating to the issuance of the senior notes described below.

Concurrent Notes Offering

Concurrently with this offering, we are offering $700 million aggregate principal amount of our 5.625% senior notes due 2021 pursuant to a separate prospectus supplement. We will receive net proceeds of approximately $690.5 million from the sale of our senior notes, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. We cannot give any assurance that the concurrent notes offering will be completed. We intend to use all of the net proceeds of the concurrent notes offering to fund a portion of the consideration for the Acquisition.

If the Acquisition is not consummated by July 15, 2013, or if the purchase and sale agreement with respect to the Acquisition is terminated at any time prior to the consummation of the Acquisition, we will be required to redeem all of the notes in cash at a redemption price equal to 100% of the aggregate principal amount of the notes, plus accrued and unpaid interest to, but not including, the date of redemption.

This offering is not contingent upon the concurrent notes offering, and the concurrent notes offering is not contingent upon this offering. This prospectus supplement shall not be deemed an offer to sell or a solicitation to buy our senior notes.

2013 Capital Expenditure Budget

As a result of the Acquisition, we have increased our capital program budget for 2013 from a range of $640 million $700 million to a range of $840 million $900 million. We expect to spend approximately $600 million for development activities primarily located in the liquids-rich window of the Eagle Ford area and approximately $175 million will be allocated to operated and non-operated development activity in the oil-rich Delaware Basin.

Production

Our average daily production for the quarter ended March 31, 2013 is estimated to have been approximately 47.0 MBoe per day, including oil production of approximately 12.4 MBbls per day. After giving effect to the Acquisition, our average daily production for the quarter ended March 31, 2013 is estimated to have been approximately 49.5 MBoe per day, including oil production of approximately 14.4 MBbls per day. During the first quarter of 2013, we drilled 24 gross (23 net) wells, with 38 wells awaiting completion.

Based on our revised 2013 capital expenditure budget, which assumes a closing date of the Acquisition on or before May 14, 2013, we expect to average approximately 51 to 55 MBoe per day in production for 2013 and expect to exit 2013 at a production range of approximately 56 to 60 MBoe per day, assuming commodity prices and service costs remain constant.

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THE OFFERING

Issuer	Rosetta Resources Inc.
Common Stock Offered by the Issuer	7,000,000 shares of our common stock, or 8,050,000 shares of our common stock if the underwriters exercise their option to purchase additional shares of common stock in full.
Common Stock Outstanding after this Offering(1)	60,039,355 shares of our common stock, or 61,089,355 shares of our common stock if the underwriters exercise their option to purchase additional shares of common stock in full.
Use of Proceeds	We will receive net proceeds from this offering of approximately $285.6 million, or $328.5 million if the underwriters exercise their option to purchase additional shares of common stock in full, in each case after deducting the underwriting discounts and commissions and estimated offering expenses, net of reimbursement from the underwriters. We intend to use the net proceeds from this offering (i) to fund a portion of the consideration for the Acquisition and (ii) to repay outstanding borrowings under our revolving credit facility. See Use of Proceeds.
Conflicts of Interest	Affiliates of certain of the underwriters are lenders under our revolving credit agreement. Because a portion of the net proceeds from this offering will be used to repay indebtedness under our revolving credit agreement, we expect that more than 5% of the net proceeds will be directed to one or more of such underwriters (or their affiliates), which would be considered a conflict of interest under Financial Regulatory Authority, Inc. (FINRA) Rule 5121. As such, this offering is being conducted in accordance with FINRA Rule 5121. See Underwriting (Conflicts of Interest).
Risk Factors	Investing in our common stock involves risks. Please read Risk Factors beginning on page S-10 of this prospectus supplement and on page 1 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012, for more information about important risks that you should consider before making an investment in our common stock.
Dividend Policy	The terms of our credit facility and the indenture governing our 9.500% senior notes due 2018 (the existing notes) limit our ability to pay dividends. If we achieve investment grade ratings by both Moody s Investors Service, Inc. (Moody s) and Standard & Poor s Rating Service (Standard & Poor s) and no default or event of default has occurred or is continuing under such revolving credit facility or indenture, we will no longer be subject to the covenant restricting the payment of dividends. We cannot assure you that any dividends will be declared or paid by us. Please read Dividend Policy.
NASDAQ Symbol	ROSE

(1)

Based on shares of common stock outstanding on April 11, 2013, and excludes (a) 313,051 shares issuable as of April 11, 2013 under outstanding options at a weighted average exercise price of $13.74 and (b) 363,541 unvested restricted shares as of April 11, 2013 with a weighted average grant date fair value price of $45.73.

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SUMMARY HISTORICAL CONSOLIDATED AND UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL DATA

The following table sets forth our summary historical consolidated and unaudited pro forma condensed combined financial information. The historical consolidated financial information has been derived from our audited statements of income and cash flows for each of the years ended December 31, 2010, 2011 and 2012 and our audited balance sheets as of December 31, 2011 and 2012.

Our unaudited pro forma condensed combined financial information for the year ended December 31, 2012 has been derived from our unaudited pro forma financial statements included in our Current Report on Form 8-K filed with the SEC on April 15, 2013. The unaudited pro forma statement of income gives effect to the Acquisition and the financing thereof as if it had occurred on January 1, 2012. In addition, the unaudited pro forma balance sheet gives effect to the Acquisition and the financing thereof as if it occurred on December 31, 2012. The unaudited pro forma financial information does not purport to represent what our results of operations would have actually been had the Acquisition occurred on the dates noted above, or to project our results of operations as of any future date or for any future periods. The pro forma adjustments are based on available information and certain assumptions that we believe are reasonable. In our opinion, all adjustments necessary to present fairly the unaudited pro forma financial statements have been made.

You should read this historical and pro forma financial information in conjunction with Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2012, as well as our historical financial statements and notes thereto, and our unaudited pro forma financial statements, all of which are incorporated by reference into this prospectus supplement. Historical results are not necessarily indicative of results that may be expected for any future period.

	Historical			Pro Forma
	Year Ended December 31,			Year Ended December 31,
(Dollars in thousands, except per share amounts)	**2010**	**2011**	**2012**	**2012**
Income Statement Data:				
Revenues:				
Oil sales	$ 54,542	$ 156,284	$ 318,782	$ 356,984
NGL sales	45,200	125,301	160,461	162,912
Natural gas sales	208,688	163,382	93,711	95,198
Derivative instruments		1,233	40,545	40,545
Total revenues	308,430	446,200	613,499	655,639
Operating costs and expenses:				
Lease operating expenses	51,085	34,900	42,429	52,244
Treating and transportation	6,963	22,316	51,826	52,746
Production taxes	5,953	12,073	16,722	18,727
Depreciation, depletion and amortization	116,558	123,244	154,223	199,765
General and administrative costs	56,332	75,256	68,731	68,731
Total operating costs and expenses	236,891	267,789	333,931	392,213
Operating income	71,539	178,411	279,568	263,426
Other expense (Income):				
Interest expense, net of interest capitalized	27,073	21,291	24,316	29,147
Interest income	(38)	(42)	(7)	(7)
Other (income) expense, net	(1,087)	903	60	60
Total other expense	25,948	22,152	24,369	29,200
Income before provision of income taxes	45,591	156,259	255,199	234,226
Income tax expense	26,545	55,713	95,904	77,719
Net income	$ 19,046	$ 100,546	$ 159,295	$ 156,507

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(Dollars in thousands, except per share amounts)	Historical Year Ended December 31, 2010	2011	2012	Pro Forma Year Ended December 31, 2012
Earnings per share:				
Basic	$ 0.37	$ 1.93	$ 3.03	$ 2.63
Diluted	$ 0.37	$ 1.91	$ 3.01	$ 2.61
Weighted average shares outstanding:				
Basic	51,381	51,996	52,496	59,496
Diluted	52,168	52,616	52,887	59,887
Other Financial Data:				
Net cash provided by operating activities	$ 176,861	$ 299,537	$ 370,630	
Net cash used in investing activities	(251,621)	(190,363)	(533,641)	
Net cash provided by (used in) financing activities	55,138	(103,758)	152,747	
EBITDA(1)	188,135	301,697	433,798	463,198
Adjusted EBITDA(1)	202,282	329,474	432,675	462,075

(Dollars in thousands)	Historical As of December 31, 2011	2012	Pro Forma As of December 31, 2012
Balance Sheet Data			
Cash and cash equivalents	$ 47,050	$ 36,786	$ 31,536
Total assets	1,065,345	1,415,416	2,189,437
Total liabilities	432,509	611,417	1,103,199
Total equity	632,836	803,999	1,086,238

(1) EBITDA is calculated as net income excluding income tax expense, interest expense, net of interest capitalized, other income (expense), net, and depreciation, depletion and amortization. Adjusted EBITDA is calculated as EBITDA excluding unrealized gains or losses on derivative instruments and stock-based compensation expense. For more information relating to these non-GAAP measures, see Non-GAAP Financial Measures.

The following table provides a reconciliation of net income to EBITDA and Adjusted EBITDA:

(Dollars in thousands)	Historical Year Ended December 31, 2010	2011	2012	Pro Forma Year Ended December 31, 2012
Net income	$ 19,046	$ 100,546	$ 159,295	$ 156,507
Income tax expense	26,545	55,713	95,904	77,719
Interest expense, net of interest capitalized	27,073	21,291	24,316	29,147
Other income (expense), net	(1,087)	903	60	60
Depreciation, depletion and amortization	116,558	123,244	154,223	199,765
EBITDA	$ 188,135	$ 301,697	$ 433,798	$ 463,198
Unrealized derivative (gain)/loss		(1,233)	(19,662)	(19,662)
Stock-based compensation expense	14,147	29,010	18,539	18,539
Adjusted EBITDA	$ 202,282	$ 329,474	$ 432,675	$ 462,075

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SUMMARY HISTORICAL AND PRO FORMA RESERVE AND OPERATING DATA

The following table sets forth certain information with respect to our historical consolidated oil and gas reserves as of December 31, 2011 and 2012 and production for the years ended December 31, 2011 and 2012, as well as our pro forma reserve data at December 31, 2012, giving effect to the Acquisition. Future exploration, exploitation and development expenditures, as well as future commodity prices and service costs will affect the reserve volumes attributable to the Permian Basin Assets.

The historical reserve information included in this table is based upon our reserve estimates which were audited by Netherland, Sewell & Associates, Inc., our independent petroleum engineers. The pro forma reserve information includes reserves of the Permian Basin Assets that are based upon reserve reports prepared by Lee Keeling and Associates, Inc, the independent petroleum engineers of Comstock. The reserve volumes and values were determined using the methods prescribed by the SEC.

This information should be read in conjunction with our Annual Report on Form 10-K for the year ended December 31, 2012.

	Historical		Pro Forma
	Year Ended December 31,		Year Ended December 31,
	2011	2012	2012
Estimated net proved reserves (at period end):			
Oil (MMBbls)	36.4	44.4	63.7
NGLs (MMBbls)	50.2	71.6	71.6
Natural gas (Bcf)	446.0	509.5	546.6
Total (MMBoe)	160.9	200.9	226.4
Percent proved developed	36%	37%	35%
PV-10 value (dollars in millions)(1)	$ 2,290	$ 2,442	$ 2,645
Standardized measure (dollars in millions)	$ 1,706	$ 1,841	$ 1,929
Production Data:			
Oil (MBbls)	1,863.3	3,496.6	3,944.6
NGLs (MBbls)	2,643.3	4,471.9	4,471.9
Natural gas (MMcf)	33,393.3	33,852.9	34,675.9
Total (MBoe)	10,072.1	13,610.6	14,195.6
Average sales price			
Oil, excluding derivatives (per Bbl)	$ 85.03	$ 91.17	$ 90.50
Oil, including realized derivatives (per Bbl)	83.87	89.67	89.17
NGL, excluding derivatives (per Bbl)	51.26	35.88	36.43
NGL, including realized derivatives (per Bbl)	47.40	37.84	38.39
Natural gas, excluding derivatives (per Mcf)	4.00	2.77	2.75
Natural gas, including realized derivatives (per Mcf)	4.89	3.28	3.25
Costs and expenses (per Boe of production)			
Lease operating expenses	$ 3.47	$ 3.12	$ 3.68
Treating and transportation	2.22	3.81	3.72
Production taxes	1.20	1.23	1.32
Depreciation, depletion and amortization	12.24	11.33	14.07
General and administrative costs	7.47	5.05	4.84
General and administrative costs, excluding stock-based compensation	4.59	3.69	3.54
Production costs(2)	2.86	2.58	3.15

(1) PV-10 is a non-GAAP financial measure. For more information relating to this non-GAAP measure, see Non-GAAP Financial Measures.

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The following table provides a reconciliation of our PV-10 value to our standardized measure:

(Dollars in millions)	Historical Year Ended December 31, 2011	 2012	Pro Forma Year Ended December 31, 2012
PV-10	$ 2,290	$ 2,442	$ 2,645
Income tax effect	584	601	716
Standardized measure	$ 1,706	$ 1,841	$ 1,929

(2) Production costs per Boe include lease operating expenses and excludes ad valorem taxes.

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RISK FACTORS

An investment in our common stock involves risks. You should consider carefully the following risks, as well as the risk factors discussed under the caption Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2012, together with all of the other information included in, or incorporated by reference into, this prospectus supplement and the accompanying prospectus, when evaluating an investment in our common stock.

Risks Relating to our Common Stock

The market price of our common stock may be volatile or may decline.

The market price of our common stock has historically experienced and may continue to experience volatility. For example, during the 12 months ended December 31, 2012, the high sales price per share of our common stock on the NASDAQ Global Select Market was $54.43 and the low sales price per share was $32.37. The price of our common stock could be subject to wide fluctuations in the future in response to the following events or factors:

- demand for oil, NGLs and natural gas;
- the success of our drilling program;
- changes in our drilling schedule;
- adjustments to our reserve estimates and differences between actual and estimated production, revenue and expenditures;
- changes in oil, NGL and natural gas prices;
- competition from other oil and gas companies;
- governmental regulations and environmental risks;
- general market, political and economic conditions;
- our failure to meet financial analysts performance expectations;
- changes in recommendations by financial analysts; and
- changes in market valuations of other companies in our industry.

Other risks described elsewhere under Risk Factors in this prospectus supplement and the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement also could materially and adversely affect our share price.

There may be future sales or other dilution of our equity which may adversely affect the market price of our common stock.

Except as described herein under Underwriting (Conflicts of Interest), we are not restricted from issuing additional common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. Sales of a substantial number of shares of our common stock could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock or other equity-related securities would have on the market price of our common stock.

Purchasers in this offering will experience immediate dilution. If you purchase shares of common stock in this offering, you will pay more for your shares than the per share book value as of December 31, 2012.

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Because we have no plans to pay dividends on our common stock, investors must look solely to stock appreciation for a return on their investment in us.

We have never declared or paid cash dividends on our common stock. We currently intend to retain all future earnings and other cash resources, if any, for the operation and development of our business and do not anticipate paying cash dividends in the foreseeable future. Payment of any future dividends will be at the discretion of our board of directors after taking into account many factors, including our financial condition, operating results, current and anticipated cash needs and plans for expansions. In addition, we are currently prohibited from paying dividends under the terms of our revolving credit facility and the indenture governing our existing notes. Any future dividends may also be restricted by any loan agreements which we may enter into from time to time and from the issuance of preferred stock should we decide to do so in the future.

Risks Relating to the Acquisition

We may be subject to risks in connection with acquisitions, including the pending Acquisition, and the integration of significant acquisitions may be difficult.

In addition to the acquisition described above under the heading Prospectus Supplement Summary Acquisition of Permian Basin Assets, we periodically evaluate other potential acquisitions of reserves, properties, prospects and leaseholds and other strategic transactions that appear to fit within our overall business strategy. The successful acquisition of producing properties, including the pending Acquisition, requires an assessment of several factors, including:

- recoverable reserves;
- future oil, NGL and natural gas prices and their appropriate differentials;
- development and operating costs and potential environmental and other liabilities; and
- our ability to obtain external financing to fund the purchase price.

The accuracy of these assessments is inherently uncertain. In connection with these assessments, we perform a review of the subject properties that we believe to be generally consistent with industry practices. Our review will not reveal all existing or potential problems nor will it permit us to become sufficiently familiar with the properties to fully assess their deficiencies and potential recoverable reserves. Inspections may not always be performed on every well, and environmental problems are not necessarily observable even when an inspection is undertaken. Even when problems are identified, the seller may be unwilling or unable to provide effective contractual protection against all or part of the problems. We often are not entitled to contractual indemnification for environmental liabilities and acquire properties on an as is basis, and, as is the case with certain liabilities associated with the Permian Basin Assets to be acquired, we are entitled to indemnification for only certain environmental liabilities.

Significant acquisitions, including the pending Acquisition described in this prospectus supplement, and other strategic transactions may involve other risks, including:

- diversion of our management s attention to evaluating, negotiating and integrating significant acquisitions and strategic transactions;
- the challenge and cost of integrating acquired operations, information management and other technology systems and business cultures with those of ours while carrying on our ongoing business;
- difficulty associated with coordinating geographically separate assets;

the challenge of attracting and retaining personnel associated with acquired operations; and

the failure to realize the full benefit that we expect in estimated proved reserves, production volume, cost savings from operating synergies or other benefits anticipated from an acquisition, or to realize these benefits within the expected time frame.

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The process of integrating operations could cause an interruption of, or loss of momentum in, the activities of our business. Members of our senior management may be required to devote considerable amounts of time to this integration process, which will decrease the time they will have to manage our business. If our senior management is not able to effectively manage the integration process, or if any significant business activities are interrupted as a result of the integration process, our business could suffer.

Financing the Acquisition will substantially increase our leverage.

We intend to finance the Acquisition in part through the issuance of the notes in the concurrent notes offering. Our total outstanding indebtedness as of December 31, 2012 was $410 million. As of December 31, 2012, after giving effect to the Acquisition and the financing thereof, including the issuance and sale of the notes in the concurrent notes offering, we expect our total outstanding indebtedness to increase by approximately $490 million, which includes the total principal amount of the notes offered thereby. The increase in our indebtedness may reduce our flexibility to respond to changing business and economic conditions or to fund capital expenditures or working capital needs.

We may not be able to consummate the Acquisition.

On March 14, 2013, we entered into the Comstock PSA to acquire oil and natural gas assets in the Permian Basin. The consummation of the Acquisition is subject to certain closing conditions, including conditions that must be met by Comstock Resources, Inc. and which are beyond our control. In addition, under certain circumstances, we or Comstock Resources, Inc. are able to terminate the Comstock PSA. There can be no assurances that the Acquisition will be consummated in the anticipated timeframe or at all.

If the Acquisition is not consummated under certain circumstances, we may be required to forfeit a deposit under the Comstock PSA. Furthermore, our stock price could be negatively impacted if we fail to complete the Acquisition.

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USE OF PROCEEDS

We will receive net proceeds from this offering of approximately $285.6 million, or $328.5 million if the underwriters exercise their option to purchase additional shares of common stock in full, in each case after deducting the underwriting discounts and commissions and estimated offering expenses, net of reimbursement from the underwriters. We intend to use the net proceeds from this offering (i) to fund a portion of the consideration for the Acquisition and (ii) to repay outstanding borrowings under our revolving credit facility.

As of April 12, 2013, the outstanding balance under our revolving credit facility was $305 million, bearing an effective interest rate of 1.96%. Amounts borrowed under our revolving credit facility were used to fund the deposit paid in connection with entering into the Comstock PSA and to fund capital expenditures relating to the development of our Eagle Ford shale acreage. Our revolving credit facility matures in May 2018.

Affiliates of certain of the underwriters are lenders under our revolving credit facility and as such will receive their pro rata share of the amounts used from the net proceeds of this offering to repay indebtedness under the revolving credit facility. See Underwriting (Conflicts of Interest).

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CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2012:

- on a consolidated historical basis;
- as adjusted to give effect to the concurrent notes offering and the application of the net proceeds therefrom to fund a portion of the consideration for the Acquisition as described in Prospectus Supplement Summary Recent Developments Concurrent Notes Offering; and
- pro forma to give effect to (i) the concurrent notes offering and the application of the net proceeds therefrom as described in Prospectus Supplement Summary Recent Developments Concurrent Notes Offering, (ii) the issuance and sale of 7,000,000 shares of our common stock in this offering at a public offering price of $42.50 per share and the application of net proceeds therefrom as described in Use of Proceeds and (iii) the use of approximately $5.25 million in cash to pay certain fees relating to the financing of the Acquisition.

You should read our historical consolidated financial statements and notes, as well as our unaudited pro forma condensed combined financial statements related to the Acquisition and accompanying notes included in our Current Report on Form 8-K filed with the SEC on April 15, 2013, that are incorporated by reference into this prospectus supplement.

	As of December 31, 2012		
(Dollars in thousands)	**Historical**	**As Adjusted**	**Pro Forma**
Cash and cash equivalents	$ 36,786	$ 36,786	$ 31,536
Long-term debt:			
Revolving credit facility(1)	210,000	210,000	1,906
9.500% senior notes due 2018	200,000	200,000	200,000
5.625% senior notes due 2021(2)		700,000	700,000
Total long-term debt	410,000	1,110,000	901,906
Total equity(3)	803,999	803,999	1,086,238
Total capitalization	$ 1,213,999	$ 1,913,999	$ 1,988,144

(1) In March 2013, we borrowed approximately $38 million under our revolving credit facility to pay a deposit into escrow pursuant to the Comstock PSA. The deposit will be applied against the payment of the purchase price at the closing of the Acquisition. As of April 12, 2013, we had $305 million outstanding under our revolving credit facility and $495 million of borrowing capacity under such facility.

(2) If the concurrent notes offering does not close, we will fund the remaining portion of the consideration for the Acquisition with borrowings under our bridge facility. The terms of our bridge facility allow us to borrow up to $700 million less any amount of gross proceeds that we receive from the concurrent notes offering.

(3) Pro forma total equity shown net of approximately $3.4 million for the after-tax expensing of bridge fees.

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DILUTION

If you invest in our common stock, your ownership interest will be diluted to the extent of the difference between the price you paid per share of common stock in this offering and the net tangible book value per share of our common stock after this offering. Net tangible book value per share represents total tangible assets less total liabilities, divided by the number of shares of common stock outstanding. Dilution in net tangible book value per share represents the difference between the amount per share paid by purchasers of shares in this offering and the net tangible book value per share of common stock immediately after the closing of this offering.

Prior to this offering, our pro forma net tangible book value as of December 31, 2012 would have been approximately $804 million or approximately $15.30 per share of common stock. On an as adjusted basis after this offering (after deducting the estimated offering expenses payable by us, and assuming that all shares offered herein are sold), our pro forma net tangible book value as of December 31, 2012 would have been approximately $1,086 million, or $18.24 per share of common stock. This represents an immediate increase in net tangible book value of $2.94 per share to existing stockholders and an immediate dilution of $24.26 per share to new investors purchasing shares in this offering at the offering price, as reflected below:

(Dollars in thousands, except per share amounts)		
Assumed offering price per share		$ 42.50
Net tangible book value per share as of December 31, 2012	$ 15.30	
Increase in net tangible book value per share attributable to offering:	282,238	
Pro forma net tangible book value per share as of December 31, 2012 after giving effect to offering:		1,086,238
Dilution per share to new investors in offering		$ 24.26

The table above assumes for illustrative purposes that an aggregate of 7,000,000 shares of our common stock are sold at the public offering price of $42.50 per share, for aggregate gross proceeds of $297.5 million. The shares sold in this offering may be sold at a different price. An increase of $1.00 per share in the price at which the shares are sold from the public offering price of $42.50 per share shown in the table above, assuming that all shares offered herein are sold, would increase our pro forma net tangible book value per share after the offering to $18.35 per share and would increase the dilution in net tangible book value per share to new investors in this offering to $25.15 per share, after deducting commissions and estimated offering expenses payable by us. A decrease of $1.00 per share in the price at which the shares are sold from the public offering price of $42.50 per share shown in the table above, assuming that all shares offered herein are sold, would decrease our pro forma net tangible book value per share after the offering to $18.12 per share and would decrease the dilution in net tangible book value per share to new investors in this offering to $23.38 per share, after deducting commissions and estimated offering expenses payable by us. This information is supplied for illustrative purposes only.

The calculations above are based upon 52,564,136 shares of common stock outstanding as of December 31, 2012, and exclude (a) 510,651 additional shares of common stock issuable on the exercise of outstanding options and (b) 329,114 unvested restricted shares as of December 31, 2012 with a weighted average grant date fair value price of $37.76.

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DIVIDEND POLICY AND MARKET FOR COMMON STOCK

Dividend Policy

We have not paid any cash dividends since our inception. Holders of our common stock may receive dividends when, as and if declared by our board of directors out of funds lawfully available for the payment of dividends. As a Delaware corporation, we may pay dividends out of surplus or, if there is no surplus, out of net profits for the fiscal year in which a dividend is declared and/or the preceding fiscal year. Section 170 of the Delaware General Corporation Law also provides that dividends may not be paid out of net profits if, after the payment of the dividend, capital is less than the capital represented by the outstanding stock of all classes having a preference upon the distribution of assets. The terms of our revolving credit facility and the indenture governing our existing notes limit our ability to pay dividends. If we achieve investment grade ratings by both Moody s and Standard & Poor s and no default or event of default has occurred and is continuing under such revolving credit facility or indenture, we will no longer be subject to the covenant restricting the payment of dividends.

Price Range of Our Common Stock

The following table sets forth the high and low sales prices per share of our common stock as reported on the NASDAQ Global Select Market since January 1, 2011.

	High	Low
Fiscal Year 2013:		
Quarter ending June 30, 2013(1)	$ 49.49	$ 42.85
Quarter ended March 31, 2013	$ 54.61	$ 44.50
Fiscal Year 2012:		
Quarter ended December 31, 2012	$ 51.78	$ 41.65
Quarter ended September 30, 2012	$ 49.96	$ 35.68
Quarter ended June 30, 2012	$ 51.35	$ 32.37
Quarter ended March 31, 2012	$ 54.43	$ 43.59
Fiscal Year 2011:		
Quarter ended December 31, 2011	$ 54.58	$ 30.42
Quarter ended September 30, 2011	$ 58.04	$ 34.03
Quarter ended June 30, 2011	$ 53.87	$ 37.64
Quarter ended March 31, 2011	$ 49.55	$ 33.30

(1) For the period from April 1, 2013 through April 17, 2013.

MANAGEMENT

Our executive officers and directors are as follows:

Name	Age	Position(s) Held
James E. Craddock	54	Chairman, Chief Executive Officer and President
John E. Hagale	56	Executive Vice President and Chief Financial Officer
John D. Clayton	49	Executive Vice President and Chief Operating Officer
J. Chad Driskill	48	Vice President, Marketing and Business Development
Don O. McCormack	51	Vice President, Treasurer and Chief Accounting Officer
Gerald L. Maxwell	59	Vice President, Human Resources and Administration
Philip L. Frederickson	56	Lead Director
Richard W. Beckler	73	Director
Matthew D. Fitzgerald	55	Director
D. Henry Houston	73	Director
Carin S. Knickel	56	Director
Donald D. Patteson, Jr.	67	Director

James E. Craddock, age 54, has served as a Director for Rosetta since February 2013. In February 2013, Mr. Craddock was named Chairman, Chief Executive Officer and President of Rosetta. Mr. Craddock joined Rosetta in April 2008 as Vice President, Drilling and Production Operations and was named a Senior Vice President in January 2011. From April 2006 to March 2008, Mr. Craddock was Chief Operating Officer for BPI Energy, Inc., an exploration and production start-up company focused on coal bed methane development. On February 3, 2009, BPI Energy, Inc. filed a voluntary petition for relief under Chapter 11 of the U.S. Bankruptcy Code. Mr. Craddock began his industry career with Superior Oil Company in 1981 and then held a broad range of technical, operational and strategic roles with Burlington Resources Inc. (Burlington) and its predecessor companies for more than 20 years. At Burlington, he held a series of positions of increasing responsibility, most recently as Chief Engineer. Mr. Craddock received a Bachelor of Science degree in Mechanical Engineering from Texas A&M University. Mr. Craddock has extensive experience in production operations, reservoir and production engineering, and unconventional oil and gas exploitation. Mr. Craddock has played a key role in the executive management and implementation of strategic initiatives at Rosetta during recent years. His operational expertise, knowledge of the Company and strategic vision are assets to the Company and benefit Rosetta s Board of Directors.

John E. Hagale, age 56, has served as Executive Vice President and Chief Financial Officer of Rosetta since November 2011. He was also the Treasurer of the Company from November 2011 until August 2012. Prior to joining the Company, Mr. Hagale was Executive Vice President, Chief Financial Officer and Chief Administrative Officer of The Methodist Hospital System from June 2003 through October 2011. He was also employed with Burlington and its predecessor Burlington Northern Inc. for 15 years where he held a series of executive financial positions with increasing responsibilities, including Executive Vice President and Chief Financial Officer of Burlington. Mr. Hagale began his career with Deloitte Haskins and Sells. Mr. Hagale holds a Bachelor of Business Administration degree in Accounting from the University of Notre Dame. He has more than 30 years of financial and accounting experience and is a certified public accountant.

John D. Clayton, age 49, has served as Executive Vice President and Chief Operating Officer of Rosetta since February 2013. Mr. Clayton joined Rosetta as Vice President, Asset Development of the Company in March 2008 and was named a Senior Vice President in January 2011. Mr. Clayton has more than 25 years of industry experience including reservoir, production and drilling engineering, as well as business development activities related to strategic planning, mergers, acquisitions and joint ventures. Prior to joining the Company, Mr. Clayton held various leadership and managerial positions with Burlington and ConocoPhillips. Mr. Clayton has a Bachelor of Science degree in Petroleum Engineering from Louisiana State University.

J. Chad Driskill, age 48, has served as Vice President, Marketing and Business Development of Rosetta since July 2005. At Rosetta, Mr. Driskill is responsible for both physical and financial commodity marketing and trading. Prior to joining Rosetta in July 2005, Mr. Driskill spent 10 years holding a number of positions in energy trading, business development, and risk management at both Calpine Corporation and Calpine Energy Services. Prior to joining Calpine, Mr. Driskill spent 5 years at LFC Financial Corp. as Director of Gas Trading. Mr. Driskill has over 23 years of experience in the energy trading, oil and gas, and power generation industries. Mr. Driskill holds a Bachelor of Business Administration degree in Finance from Texas Tech University.

Don O. McCormack, age 51, has served as Vice President, Treasurer and Chief Accounting Officer of Rosetta since January 2013. Mr. McCormack joined Rosetta as Vice President and Treasurer of the Company in August 2012. Prior to joining the Company, Mr. McCormack served as Vice President and Chief Accounting Officer from 2010 until 2012 for Concho Resources Inc., an independent oil and gas company, in Midland, Texas. From 2007 to 2010, he was the Controller and Chief Accounting Officer for Red Oak Capital Management LLC, an oil and gas investment company based in Houston, Texas. Prior to joining Red Oak Capital Management LLC, Mr. McCormack held various leadership and managerial positions with Burlington and ConocoPhillips. Mr. McCormack received a Bachelor of Business Administration degree in Accounting from the University of Texas at Arlington and is a certified public accountant.

Gerald L. Maxwell, age 59, has served as the Vice President, Human Resources and Administration since April 2007. Mr. Maxwell joined the Company in May 2005 as an independent consultant. In November 2005, he became the General Manager of Human Resources, and in April 2007, he became Vice President of Human Resources. Previously, Mr. Maxwell was Vice President of Human Resources for several of El Paso Corporation s business units, both domestic and international. Prior to El Paso s acquisition of Tenneco Energy, he was director of human resources for Tenneco Energy. Mr. Maxwell has also held human resources positions at Quintana Petroleum, Anadarko Petroleum, Coastal Corporation, and other companies in the financial industry. He holds dual Bachelor degrees in Management and Economics from Houston Baptist University, and has over 32 years of human resources experience in the energy industry.

Philip L. Frederickson, age 56, has served as a Director of Rosetta since July 2008. In May 2011, he was appointed as the lead independent director. Mr. Frederickson retired from ConocoPhillips in January 2008, where he was serving as Executive Vice President, Planning, Strategy and Corporate Affairs. Prior to serving in this role, he held the position of Executive Vice President, Commercial. Mr. Frederickson joined Conoco in 1978 and held various positions in the United States and Europe, with diverse responsibilities including refining and marketing operations, upstream strategy and portfolio management, and business development. Mr. Frederickson serves on the board of directors for Access Midstream Partners, L.P. He is also a director emeritus for The Yellowstone Park Foundation. Mr. Frederickson holds a Bachelor of Science in Industrial Engineering from Texas Tech University. Mr. Frederickson s broad assignments and executive management experience with a Fortune 10 company in the energy industry provide relevant experience in a number of strategic and operational areas including mergers and acquisitions, business development, marketing and trading and logistics.

Richard W. Beckler, age 73, has served as a Director of Rosetta since July 2005. Since March 2011, Mr. Beckler has been a partner in Bracewell & Giuliani LLP s white collar defense practice and head of the litigation practice. From 2003 until March 2011, he served as a partner in the global litigation group and as the head of the firm s Securities, Government Enforcement and White Collar Defense group of the law firm of Howrey LLP. Howrey LLP originally filed under Chapter 7 of the U.S. Bankruptcy Law and was converted to a bankruptcy under Chapter 11 on June 6, 2011. From 1979 through 2003, he was a partner in the law firm of Fulbright & Jaworski and at the end of his tenure, was the head of the litigation group in Washington, D.C. Mr. Beckler also served as a section chief in the Criminal Fraud Section of the U.S. Department of Justice, and as an Assistant District Attorney in the Manhattan District Attorney s Office. Mr. Beckler has a Juris Doctor degree from Fordham Law School and over 40 years of experience practicing law at private firms, the U.S. Department of Justice and the New York County (Manhattan) District Attorney s Office. This has enabled Mr. Beckler to bring legal expertise, and more specifically expertise in securities regulation, to Rosetta s Board of Directors.

Matthew D. Fitzgerald, age 55, has served as a Director of Rosetta since September 2008. He has been President of Total Choice Communications LLC, a wireless preferred retailer based in Houston, Texas, since September 2009. Mr. Fitzgerald retired from Grant Prideco, Inc. in April 2008, where he served as Executive

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Vice President and Chief Financial Officer from January 2004 until February 2007, and Executive Vice President, Chief Financial Officer and Treasurer from February 2007 until his retirement. Prior to joining Grant Prideco, Inc., Mr. Fitzgerald served as Executive Vice President, Chief Financial Officer, and Treasurer of Veritas DGC from March 2001 until January 2004. Mr. Fitzgerald was employed by BJ Services Company from 1989 to 2001, where he served as Vice President and Controller. Mr. Fitzgerald was also a senior manager with the accounting firm of Ernst & Whinney. Mr. Fitzgerald serves on the board of directors for Independence Contract Drilling, Inc., a privately held provider of contract drilling rig services. Mr. Fitzgerald holds a Bachelor of Business Administration and a Masters in Accountancy from the University of Florida. Mr. Fitzgerald s prior positions of responsibility as chief financial officer and controller for service companies within the energy industry provide strong financial and accounting expertise and valuable insight into the service industry to Rosetta s Board of Directors.

D. Henry Houston, age 73, has served as a Director of Rosetta since July 2005. Mr. Houston served as Chairman of the Board from July 2007 until February 2010. From 2002 through 2008, when he retired, Mr. Houston was Executive Vice President, Chief Operating Officer and Chief Financial Officer, as well as a director, of Remote Knowledge, Inc., a company offering communication services for marine pleasure craft. From 1995 through 2002, he served as Executive Vice President and Chief Financial Officer of T.D. Rowe Amusements, a private company operating approximately 25,000 vending and amusement devices. Mr. Houston also previously worked as an oil and gas consultant and served as President of KP Exploration, Inc., Chairman of the Board of Magee Poole Drilling Company, President of Black Hawk Oil Company, Chief Financial Officer of C&K Petroleum, and Vice President, Chief Financial Officer and director of Southdown Inc. Earlier in his career, he worked with Price Waterhouse and with Detsco, Inc. Mr. Houston has a degree in accounting from the University of Arkansas. Mr. Houston s financial accounting background, prior energy experience, and general business acumen are assets to Rosetta s Board of Directors.

Carin S. Knickel, age 56, has served as a Director of Rosetta since July 2012. Since January 2013, Ms. Knickel has served as Assistant Dean in the College of Engineering at the University of Colorado, Boulder. From 2003 until her retirement in May 2012, she served as Vice President, Human Resources of ConocoPhillips, an energy company located in Houston, Texas. She joined Conoco in 1979 and held various operating, planning and business development positions throughout her career. Ms. Knickel held positions in Europe as general manager of business development for refining and marketing and later fulfilled the same role for exploration and production. She returned to the United States and served as general manager of refining, marketing and transportation and in 2001 was named President of ConocoPhillips specialty businesses division. Ms. Knickel holds a bachelor s degree in marketing and statistics from the University of Colorado and a master s degree in management from the Massachusetts Institute of Technology. She has valuable experience guiding CEO succession management and executive compensation processes at the board level. Ms. Knickel is experienced in strategic merger integration and has led human resource processes for a Fortune 10 company. Ms. Knickel s energy industry managerial experience, her business acumen, and human resources expertise are all assets to Rosetta s Board of Directors.

Donald D. Patteson, Jr., age 67, has served as a Director of Rosetta since July 2005. Mr. Patteson is the founder and Chairman of the Board of Directors of Sovereign Business Forms, Inc., a consolidator in the wholesale manufacturing of custom business forms and related products segment of the printing industry. He also served as Chief Executive Officer of Sovereign from August 1996 until his retirement in August 2008. Prior to founding Sovereign in August 1996, he served as Managing Director of Sovereign Capital Partners, an investment firm specializing in leveraged buyouts. Mr. Patteson also previously served as President and Chief Executive Officer of WBC Holdings, Inc., and President and Chief Executive Officer of Temple Marine Drilling, Inc./R.C. Chapman Drilling Co., Inc., and President, Chief Executive Officer and Director of Temple Drilling. He also worked with Atwood Oceanics, Houston Offshore International, Western Oceanic and Arthur Andersen s management consulting practice earlier in his career. In August 2011, Mr. Patteson became a director of Carriage Services, Inc. Mr. Patteson has an MBA with concentration in finance from the University of Texas. Mr. Patteson has 24 years of experience as a chief executive officer in various industries including the oil and gas service industry, which enables him to provide the Board with valuable financial accounting expertise, experience with major financial transactions and insight into the oil and gas service industry.

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U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following discussion is a summary of the U.S. federal income tax considerations to non-U.S. holders (as defined below) of the purchase, ownership and disposition of our common stock issued pursuant to this offering, but does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or foreign tax laws are not discussed. This discussion is based on the Internal Revenue Code of 1986, as amended (the Code), Treasury regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the U.S. Internal Revenue Service (IRS) in effect as of the date of this offering. These authorities may change or be subject to differing interpretations. Any such change may be applied retroactively in a manner that could adversely affect a non-U.S. holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position regarding the tax consequences of the purchase, ownership and disposition of our common stock.

This discussion is limited to non-U.S. holders that hold our common stock as a capital asset within the meaning of Section 1221 of the Code (property held for investment). This discussion does not address the newly effective Medicare tax imposed on certain income or all U.S. federal income tax consequences relevant to a non-U.S. holder s particular circumstances. In addition, it does not address consequences relevant to non-U.S. holders subject to particular rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- persons holding our common stock as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- real estate investment trusts or regulated investment companies;
- brokers, dealers or traders in securities;
- controlled foreign corporations, passive foreign investment companies, and corporations that accumulate earnings to avoid U.S. federal income tax;
- partnerships, or other entities or arrangements treated as partnerships for U.S. federal income tax purposes;
- tax-exempt organizations or governmental organizations;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons who hold or receive our common stock pursuant to the exercise of any employee stock option or otherwise as compensation; and

tax-qualified retirement plans.

If an entity taxed as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner, upon the activities of the partnership, and upon certain determinations made at the partner level. Accordingly, partnerships considering an investment in our common stock and partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT INTENDED AS TAX ADVICE. YOU SHOULD CONSULT YOUR TAX ADVISOR WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO YOUR PARTICULAR

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SITUATION AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE OTHER U.S. FEDERAL TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL, NON-U.S. OR OTHER TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a non-U.S. holder is a beneficial owner of our common stock that, for U.S. federal income tax purposes, is an individual, corporation, estate or trust that is not any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation created or organized under the laws of the United States, any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more U.S. persons, or (2) has made a valid election under applicable Treasury Regulations to continue to be treated as a U.S. person.

Distributions

Any distributions of cash or property (other than certain stock distributions) on our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent such distributions exceed both our current and accumulated earnings and profits, they will first constitute a return of capital and be applied against and reduce a non-U.S. holder s adjusted tax basis in its common stock (determined on a share by share basis), but not below zero. Any excess will be treated as capital gain and will be treated as described below in the section relating to the sale or disposition of our common stock.

Dividends paid to a non-U.S. holder of our common stock that are not effectively connected with the non-U.S. holder s conduct of a trade or business within the United States will generally be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends (or such lower rate specified by an applicable income tax treaty). U.S. federal withholding tax may be imposed on the gross amount of a distribution, due to the difficulty of determining the amount of our earnings and profits and, therefore, the extent to which the distribution will constitute a dividend for U.S. federal income tax purposes.

Non-U.S. holders may be entitled to a reduction in or an exemption from withholding tax as a result of either (a) an applicable income tax treaty or (b) the non-U.S. holder holding our common stock in connection with the conduct of a trade or business within the United States and dividends being paid in connection with that trade or business within the United States. To claim such a reduction or exemption from withholding, the non-U.S. holder must provide the applicable withholding agent with a properly executed (a) IRS Form W-8BEN claiming an exemption from or reduction of the withholding tax under the benefit of an income tax treaty between the United States and the non-U.S. holder s country of residence, or (b) IRS Form W-8ECI stating that the dividends are not subject to withholding tax because they are effectively connected with the conduct by the non-U.S. holder of a trade or business within the United States, as may be applicable. These certifications must be provided to the applicable withholding agent prior to the payment of dividends and must be updated periodically. Non-U.S. holders that do not timely provide the applicable withholding agent the required certification, but that qualify for a reduced income tax treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If dividends on our common stock paid to a non-U.S. holder are effectively connected with the non-U.S. holder s conduct of a trade or business within the United States, then, although exempt from U.S. federal withholding tax (provided the non-U.S. holder provides appropriate certification, as described above), the non-U.S. holder will be subject to U.S. federal income tax on such dividends on a net income basis at the same graduated U.S. federal income tax rates as U.S. persons (unless an applicable tax treaty provides otherwise). In addition, if the non-U.S. holder is a corporation, the non-U.S. holder may be subject to a branch profits tax equal

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to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Sale or Other Taxable Disposition

Subject to the discussions below on backup withholding and foreign accounts, a non-U.S. holder will not be subject to U.S. federal income or withholding tax on any gain realized upon the sale, exchange or other taxable disposition of our common stock unless:

- the gain is effectively connected with the non-U.S. holder s conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, the non-U.S. holder maintains a permanent establishment in the United States to which such gain is attributable);

- the non-U.S. holder is an individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or

- our common stock constitutes a U.S. real property interest (USRPI) by reason of our status as a U.S. real property holding corporation (a USRPHC). Generally, a corporation is a USRPHC if the fair market value of its USRPIs equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus its other assets used or held for use in its trade or business.

Gain described in the first bullet point above will generally be subject to U.S. federal income tax on a net income basis at the same graduated U.S. federal income tax rates applicable to U.S. persons. A non-U.S. holder that is a foreign corporation also may be subject to a branch profits tax at a flat rate of 30% (or such lower rate specified by an applicable income tax treaty) of a portion of its effectively connected earnings and profits for the taxable year, as adjusted for certain items.

A non-U.S. holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on any gain derived from the sale, which may be offset by certain U.S. source capital losses of the non-U.S. holder subject to certain limitations.

With respect to the third bullet point above, we believe that we currently are, and expect to remain for the foreseeable future, a USRPHC. Even if we are considered a USRPHC, so long as our common stock is regularly traded on an established securities market, a non-U.S. holder will be subject to U.S. federal net income tax on a disposition of our common stock only if the non-U.S. holder actually or constructively holds or held (at any time during the shorter of the five year period preceding the date of disposition or the holder s holding period) more than 5% of our common stock. We believe that our common stock is currently regularly traded on an established securities market. If we are considered a USRPHC and our common stock is not considered to be so traded, all non-U.S. holders would generally be required to file a U.S. federal income tax return and generally would be subject to U.S. federal income tax on any gain realized on the disposition of our common stock on a net income basis. In addition, a 10% withholding tax may apply to the gross proceeds from the sale or other disposition of our common stock by a non-U.S. holder and any distribution in excess of our current and accumulated earnings and profits (the FIRPTA withholding). Any FIRPTA withholding may be credited against the U.S. federal income tax liability owed by the non-U.S. holder. Non-U.S. holders should consult their own tax advisor regarding our possible status as a U.S. real property holding corporation and its possible consequences in the non-U.S. holders particular circumstances.

Non-U.S. holders should also consult their tax advisors regarding potentially applicable income tax treaties that may provide for different rules.

Information Reporting and Backup Withholding

A non-U.S. holder generally will not be subject to backup withholding with respect to payments of dividends on our common stock we make to the non-U.S. holder, provided we (or other applicable withholding agent) do not have actual knowledge or reason to know such holder is a United States person, within the meaning of the Code, and the holder certifies its non-U.S. status, such as by providing a valid IRS Form W-8BEN or W-8ECI, or other applicable certification. However, we must report annually to the IRS and to each non-U.S. holder the amount of dividends on our common stock paid to such holder, the name and address of the recipient, and the amount of any tax withheld with respect to those dividends. Copies of these information returns may also be made available under the provisions of a specific treaty or agreement to the tax authorities of the country in which the non-U.S. holder resides or is established.

Information reporting and backup withholding may apply to the proceeds of a sale of our common stock within the United States, and information reporting may (although backup withholding generally will not) apply to the proceeds of a sale of our common stock outside the United States conducted through certain U.S.-related financial intermediaries, in each case, unless the beneficial owner certifies under penalty of perjury that it is a non-U.S. holder on IRS Form W-8BEN or other applicable form (and the payor does not have actual knowledge or reason to know that the beneficial owner is a United States person) or such owner otherwise establishes an exemption.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a non-U.S. holder s U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

Additional Withholding Tax on Payments Made to Foreign Accounts

Legislation incorporating provisions referred to as the Foreign Account Tax Compliance Act, or FATCA, was enacted March 18, 2010. A 30% U.S. withholding tax may be imposed on dividends paid on, and the gross proceeds from the sale or other disposition of, our common stock to a foreign financial institution (as defined in the Code) or to a non-financial foreign entity (as defined in the Code) (whether such foreign financial institution or non-financial foreign entity is the beneficial owner or an intermediary), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the nonfinancial foreign entity either certifies it does not have any substantial United States owners (as defined in the Code) or furnishes identifying information regarding each substantial United States owner or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain U.S. persons or U.S.-owned foreign entities (as defined in applicable Treasury Regulations), annually report certain information about such accounts and withhold 30% on payments to noncompliant foreign financial institutions and certain other account holders. Foreign governments may enter into an agreement with the IRS to implement FATCA in a different manner.

Recently issued Treasury regulations defer the effective date and provide that FATCA withholding will apply to payments of dividends on our shares made on or after January 1, 2014 and to payments of gross proceeds from the sale or other disposition of such stock on or after January 1, 2017. Prospective investors should consult their tax advisors regarding these withholding provisions.

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UNDERWRITING (CONFLICTS OF INTEREST)

Under the terms and subject to the conditions contained in an underwriting agreement dated the date of this prospectus supplement, we have agreed to sell to the underwriters named below, for whom Credit Suisse Securities (USA) LLC and Merrill, Lynch, Pierce Fenner & Smith Incorporated are acting as representatives (the Representatives), and the underwriters have severally agreed to purchase, the number of shares indicated below:

Underwriter	Number of Shares
Credit Suisse Securities (USA) LLC	2,345,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	1,750,000
J.P. Morgan Securities LLC	420,000
Morgan Stanley & Co. LLC	420,000
Wells Fargo Securities, LLC	420,000
BMO Capital Markets Corp.	350,000
Citigroup Global Markets Inc.	350,000
Canaccord Genuity Inc.	189,000
KeyBanc Capital Markets Inc.	189,000
Johnson Rice & Company L.L.C.	189,000
Simmons & Company International	189,000
Wunderlich Securities, Inc.	189,000
Total	7,000,000

The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus supplement are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus supplement if any such shares are taken. The underwriters, however, are not required to take or pay for the shares covered by the underwriters over-allotment option described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover page of this prospectus supplement and part to certain dealers. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the Representatives.

The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters right to reject any order in whole or in part.

We have granted to the underwriters an option, exercisable for 30 days from the date of this prospectus supplement, to purchase up to 1,050,000 additional shares of common stock at the public offering price listed on the cover page of this prospectus supplement, less underwriting discounts and commissions. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter s name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

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The following table shows the per share and total public offering price, underwriting discounts and commissions, and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters option to purchase up to an additional 1,050,000 shares of common stock.