

Edgar Filing: Rosetta Resources Inc. - Form FWP

Rosetta Resources Inc.  
Form FWP  
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OGIS, San Francisco

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**Disclaimer**

Issuer Free Writing Prospectus

Filed Pursuant To Rule 433

Registration Statement No. 333-128888

October 2, 2006

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

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

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

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**Corporate Profile**

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

*\*\* Includes non-consent properties of 4 MMcfe/d.*

**717 TEXAS AVENUE**

**HOUSTON, TEXAS**

**ROSETTA CORPORATE HEADQUARTERS**

v	Stock Trades on NASDAQ, Symbol:	“ROSE”
v	Shares Outstanding:	50 Million
v	Total Assets (as of 6/30/06):	\$1,135 million
v	Long Term Debt (as of 6/30/06):	\$240 million
v	Stock Holders Equity (as of 6/30/06):	\$777 million
v	Cash and Cash Equivalent (as of 6/30/06):	\$ 93 million
•	12/31/05 SEC Proved Reserves:	379 Bcfe *
•	12/31/05 SEC Proved PV10:	\$1.4 Billion **
•	Proved Developed Reserves:	65%*
•	Current Production (as of Sept 2006):	105 MMcfe/D **
•	Net Producing Wells:	Over 500
•	Proved and Probable locations:	Over 600
•	Historical drilling success:	Over 80%
•	Number of employees:	120
•	Principal Offices:	Houston, Denver
•	Field Offices:	Rio Vista, CA Laredo, TX

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

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

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**2006 Goals**

∅ <b>Well Activity</b>	
• Drill	188 Wells
• Recompletions / Workovers	68 Wells
∅ <b>Average Production</b>	<b>105 MMcfe/d</b>
∅ <b>Capital Expenditures</b>	<b>\$190 MM</b>
∅ <b>Proved Reserve Additions</b>	<b>80 Bcfe</b>

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

**110**  
**126**  
**(MMCFE/D)**  
**Production**  
**Actual**  
**Actual**  
**Forecast**  
**Exit Rate**  
**Forecast**  
**87**

*\* Includes non-consent properties – (approx. 4 MMcf/d)*

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

**2006 Cash Cost Structure**

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<b>Hedge Position (Mmbtu/day)</b>				
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Fixed Swaps</b>	<b>45,000</b>	<b>36,300</b>	<b>30,876</b>	<b>26,141</b>
<b>Average Price</b>	<b>\$7.92</b>	<b>\$7.62</b>	<b>\$7.30</b>	<b>\$6.99</b>
<b>Additional Fixed Swaps*</b>	--	<b>9,041</b>	<b>9,033</b>	--
<b>Average Price</b>	--	<b>\$8.21</b>	<b>\$8.04</b>	--
<b>Collars</b>	<b>10,000</b>	--	--	--
<b>Floor</b>	<b>\$8.83</b>	--	--	--
<b>Ceiling</b>	<b>\$14.00</b>	--	--	--
<b>Additional Collars</b>	--	<b>10,000</b>	--	--
<b>Floor</b>	--	<b>\$7.19</b>	--	--
<b>Ceiling</b>	--	<b>\$10.03</b>	--	--

§

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

§

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

*\* Added additional hedges in September 2006*

**Calpine Transaction**

Ø

**Contractual gas sales continuing.**

Ø

**Non-consent property status report presented to Calpine.**

Ø

**Settlement discussions underway.**

Ø

**Objective is global solution:**

§

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

§

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

§

Settlement statement finalized.

§

Other administrative matters settled to satisfaction of Rosetta.

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

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**Drilling Activity Recap -2006 Year To Date**

*84% Success Rate*

<i>(as of September 25, 2006)</i>	<b>Wells Drilled</b>	
	<b>Gross</b>	<b>Net</b>
California	18	18.0
Rockies	37	35.5
MidCon	2	0.3
Offshore	2	0.8
Lobo	14	14.0
Perdido	4	2.0
State Waters	5	1.2
Other	12	4.7
<b>Total</b>	<b>94</b>	<b>76.5</b>

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**Sacramento Basin**

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

•  
**Current average net production 40**  
MMcfe/d\*.

•  
**143 currently shut-in or idle wells, over**  
130 proved and probable drilling locations  
and numerous workover and  
recompletion projects.

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

•  
**Began a drilling program in early**  
November 2005, drilled 20 wells to date,  
19 successful one dry hole, 11 of these  
wells currently on production, 2 additional  
wells to be producing by the end of Sept.  
2006.

•  
**Expect to drill an additional 6 to 7 wells in**  
2006. One drilling rig active in field. May  
get deep rig in January 2007.

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

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

**Rio Vista Wells**  
**(November 5, 2005 to September 25, 2006)**

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**Rio Vista Production (MMCFE/D)**  
**Forecast**  
**Rio Vista Daily Wellhead Production – Gross Operated**  
**Current rate = 52**  
**MMCFE/D**

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

•  
Two Capay wells drilled in the Southern Extension, RVGU 265 and RVGU 270 are producing 0.6 and 1.5 MMCFE/D respectively and the two Martinez wells drilled in the extension, Twitchell 4 and Twitchell 5 are producing 1.8 and 3.2 MMCFE/D respectively.

•  
This extension has added 18 Bcf of proved and probable reserves to date.

**Rio Vista – Upper Capay and Martinez**  
Capay Extension

Martinez Extension  
**Southern Extension**

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

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

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

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

- 20 BCF reserve potential.

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**Rio Vista - Winters Play**

Rio Vista Unit

•

**Over 1.1 Tcf of gas produced to the**  
North, East and South of Rio Vista field.

Only 5 penetrations to date in this  
90-square mile field area.

•

**Welch 13 well drilled in April in the**  
Winters with producing rate of 3 MMcfe/d  
(net).

•

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

•

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

•

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

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**South Texas Trends**

Miocene and Frio Amplitude Plays  
Anomalina and Vicksburg Amplitude Plays

Upper Wilcox Structural Plays  
Lobo Play  
Perdido Play  
Middle and Lower Wilcox Plays  
Sligo Reef Structural Plays

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

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

•

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

•

277 active operated and 117  
non-operated wells.

•

Current net production is 38  
MMcfe/day.

•

Over 100 proved and probable  
locations.

•

Drilled 12 successful wells to date.  
Net production for the first 9 wells is  
currently 21.6 MMcfe/d. (3 are  
completing.)

•

Plan to drill 8 additional wells in 2006  
(2 drilling now).

•

Two rigs under contract.  
2006 Dry Hole

Next 12 months Drilling Inventory

Future Location

2006 Discovery

Currently Drilling

Current Producer

Lobo Stratigraphic Column

**LOBO STRAYS**

**LOBO 'B' SAND**

**WALKER**

**LOBO 1**

**L1 PAY**

**LOBO 2**

**LOBO 3**

**LOBO 6a SAND**

**LOBO 6b SAND**

**LOBO 6c SAND**

**LOBO 6d SAND**

**2006 New Wells**

TD 8740'

TD 8176'

TD 8883'

TD 7600'

TD 8850'

TD 7956'

TD 8078'

TD 6850'

TD 8795'

TD 8425'

**SCR 232**

**SCR 234**

**SCR 235**

**SCR 236**

**SCR 238**

**SCR 237**

**SCR 242**

**ECR 3**

**ECR 1**

**ECR 2**

**ECR 11**

**SCR 244**

TD 8070'

TD 8612'

**Lobo Wells**

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**LOBO  
TYPE CURVES – ALL RESERVOIRS**

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

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**LOBO**  
**GROSS MMCFE/D**

*\* Does not include any new acreage or acquisitions*

*\*\* Assumes drilling of 23 wells per year and spending \$41 MM per year.*

Future Drilling  
**Proved Developed**

Current Gross production  
**52 MM per day**

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**South Texas – Perdido**

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

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

•  
Currently have 31 producing wells of which 10 are horizontal.

•  
Current net production is 12 MMcfe/d.

•  
4 new horizontal wells drilled in 2006 to date. They are producing a total of 13.6 MMcfe/d (gross).

•  
48 future locations will be horizontal.

•  
There are 3 additional wells planned for 2006.  
Current horizontal producers

Approved horizontal locations

Future horizontal locations

Perdido Acreage  
Currently drilling

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**PERDIDO  
TYPE CURVES – ALL RESERVOIRS**

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**PERDIDO**  
**NORMALIZED PRODUCTION CUMULATIVES**

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**Gulf of Mexico Activity Areas**

•

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

•

**Current net production is 9**  
MMcfe/day from 7  
producing wells.

•

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

•

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

•

**Successful bidder in 2006**  
offshore lease sale with 50%  
working interest in S.  
Timbalier Block 293 and  
Block 226 and 25% in East  
Cameron Block 178.  
**Gulf Coast Offshore Exploration**

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**Texas State Waters**

•

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

•

Current net production is 3 MMcfe/day.

•

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

•

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

**T B - 2**

**St Tr 100 Ut**

**Bonefish**

**Kerr McGee Farm-Out**

**Dolphin**

Producing

Waiting on Completion

Location

Rosetta Acreage

**TEXAS STATE WATERS**

**Rocky Mountains – DJ Basin**

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

•  
**Company owns 77,400 net acres in this shallow gas play.**

•  
**34 wells drilled through September 27<sup>th</sup> to date, 30 successful (88% success rate). All of the wells (14) in the Republican River 3D look very good on logs, averaging 7 ohms resistively up to a maximum of 17 ohms with gas effect over the Niobrara Chalk. Continuing to stake locations on two other 3-D surveys.**

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

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

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

**DJ Basin**  
Rosetta Leases

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**Rocky Mountains – San Juan Basin**

•  
8,481 net acres with  
Fruitland Coal potential at  
1,600 feet.

•  
Company has identified  
44 drillable development  
locations.

•  
Drilling and completion  
costs of \$280,000 per  
well.

•  
14 wells drilled and  
completed to date.

Rosetta  
Leases  
**San Juan Basin**

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**Investment Considerations**

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**Quality Asset Base**

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**Production Growth Momentum**

Ø

**Significant Drilling Location Inventory**

Ø

**Competitive Cost Structure**

Ø

**Strong Balance Sheet**

Ø

**Experienced Technical Staff, Making Use of Industry**

Best Practices and State of the Art

Technology.

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

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*Forward-Looking Statements*

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

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