

Rosetta Resources Inc.  
Form 10-Q  
August 13, 2007

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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**FORM 10-Q**

**Quarterly Report Pursuant To Section 13 or 15(d) of The Securities Exchange Act of 1934**  
**For The Quarterly Period Ended June 30,2007**

**OR**

**Transition Report Pursuant To Section 15(d) of The Securities Exchange Act of 1934**

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**Commission File Number: 000-51801**

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**ROSETTA RESOURCES INC.**  
**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction of incorporation or  
organization)**

**43-2083519**  
**(I.R.S. Employer Identification No.)**

**717 Texas, Suite 2800, Houston, TX**  
**(Address of principal executive offices)**

**77002**  
**(Zip Code)**

Registrant's telephone number, including area code: **(713) 335-4000**

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Securities Exchange Act of 1934. Large accelerated filer  Accelerated filer  Non-Accelerated filer

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Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Securities Exchange Act of 1934). Yes  No

The number of shares of the registrant's Common Stock, \$.001 par value per share, outstanding as of August 2, 2007 was 50,776,158.

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	Rule 13a-14(a) Certification executed by Charles F. Chambers	
	Rule 13a-14(a) Certification executed by Michael J. Rosinski	
	Section 1350 Certification	

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**Rosetta Resources Inc.**  
**Consolidated Balance Sheet**  
(In thousands, except share amounts)

	June 30, 2007 (Unaudited)	December 31, 2006
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 11,769	\$ 62,780
Accounts receivable	37,900	36,408
Derivative instruments	4,035	20,538
Prepaid expenses	19,585	8,761
Other current assets	3,800	2,965
Total current assets	77,089	131,452
Oil and natural gas properties, full cost method, of which \$41.2 million at June 30, 2007 and \$37.8 million at December 31, 2006 were excluded from amortization	1,399,194	1,223,337
Other fixed assets	5,378	4,562
	1,404,572	1,227,899
Accumulated depreciation, depletion, and amortization	(210,712)	(145,289)
Total property and equipment, net	1,193,860	1,082,610
Deferred loan fees	2,785	3,375
Other assets	1,094	1,968
Total other assets	3,879	5,343
Total assets	\$ 1,274,828	\$ 1,219,405
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities:		
Accounts payable	\$ 30,385	\$ 23,040
Accrued liabilities	51,470	43,099
Royalties payable	12,272	9,010
Prepayment on gas sales	22,488	17,868
Deferred income taxes	1,521	7,743
Total current liabilities	118,136	100,760
Long-term liabilities:		
Derivative instruments	17,905	11,014
Long-term debt	240,000	240,000
Asset retirement obligation	11,989	10,253
Deferred income taxes	48,744	35,089
Total liabilities	436,774	397,116
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Common stock, \$0.001 par value; authorized 150,000,000 shares; issued 50,466,973 shares and 50,405,794 shares at June 30, 2007 and December 31, 2006, respectively	50	50
Additional paid-in capital	759,090	755,343
Treasury stock, at cost; 91,217 and 85,788 shares at June 30, 2007 and December 31, 2006, respectively	(1,675)	(1,562)

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Accumulated other comprehensive (loss) income	(8,636)	6,315
Retained earnings	89,225	62,143
Total stockholders' equity	838,054	822,289
Total liabilities and stockholders' equity	\$ 1,274,828	\$ 1,219,405

The accompanying notes to the financial statements are an integral part hereof.

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**Rosetta Resources Inc.**  
**Consolidated Statement of Operations**  
(In thousands, except per share amounts)  
(Unaudited)

	<b>Three Months Ended</b>		<b>Six Months Ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2007</b>	<b>2006</b>	<b>2007</b>	<b>2006</b>
Revenues:				
Natural gas sales	\$ 77,436	\$ 53,682	\$ 146,597	\$ 110,417
Oil sales	9,438	9,699	16,073	17,508
Total revenues	86,874	63,381	162,670	