

Rosetta Resources Inc.
Form 424B2
March 09, 2015
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Filed Pursuant to Rule 424(b)(2)
Registration No. 333-202611

The information in this prospectus supplement is not complete and may be changed. This prospectus supplement and the accompanying prospectus are part of an effective registration statement filed with the Securities and Exchange Commission. This prospectus supplement and the accompanying prospectus are not an offer to sell these securities and we are not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MARCH 9, 2015

PROSPECTUS SUPPLEMENT TO PROSPECTUS DATED MARCH 9, 2015

12,000,000 Shares

Rosetta Resources Inc.

Common Stock

We are offering 12,000,000 shares of our common stock.

Our common stock is listed on the NASDAQ Global Select Market under the symbol ROSE. On March 6, 2015, the last reported sale price of our common stock on the NASDAQ Global Select Market was \$17.91 per share.

The underwriter has an option for a period of 30 days to purchase a maximum of 1,800,000 additional shares of our common stock.

Investing in our common stock involves risks. Please read Risk Factors beginning on page S-8 of this prospectus supplement and in the documents incorporated by reference in this prospectus supplement.

The underwriter has agreed to purchase the common stock from us at a price of \$ _____ per share, resulting in \$ _____ million in aggregate proceeds, before expenses, to us.

The underwriter may offer the shares of common stock from time to time to purchasers in one or more transactions directly or through agents, or through brokers in brokerage transactions on the NASDAQ Global Select Market, in the over-the-counter market or to dealers in negotiated transactions or in a combination of such methods of sale, at a fixed price or prices, which may be changed, or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. See Underwriting (Conflicts of Interest).

Delivery of the shares of common stock will be made on or about _____, 2015.

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.

Morgan Stanley
The date of this prospectus is _____, 2015

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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 with the Securities and Exchange Commission (the SEC) on March 9, 2015, 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 underwriter, 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 underwriter has not, authorized anyone to provide you with different information. We are not, and the underwriter is 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 c 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, 2014, filed on February 24, 2015;

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our Definitive Proxy Statement on Schedule 14A filed on March 26, 2014; and

the description of our common stock set forth in the registration statement on Form 8-A filed with the SEC on February 9, 2006, and including any other amendments and reports filed for the purpose of updating such description.

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 prospectus supplement 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, be estimate, predict, potential, pursue, target or continue, the negative of such terms or variations thereon, or other comparable terminology.

The forward-looking statements contained in this prospectus supplement 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-8 of this prospectus supplement and on page 3 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2014. 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 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;

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 and/or lease operating expenses;

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failure of joint interest partners to pay us our share of revenue;

the occurrence of property acquisitions or divestitures;

reserve levels;

inflation or deflation;

competition in the oil and natural gas industry;

the availability and cost of relevant raw materials, equipment, goods, services and personnel;

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, completion, production and facility risks;

exploration risks;

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;

electronic, cyber or physical security breaches; and

any other factors that impact or could impact the exploration and development of oil, NGL 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, NGLs 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](#).

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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 earnings before interest expense, income taxes and depreciation, depletion and amortization expense and other similar non-cash or non-recurring charges. EBITDA and Adjusted EBITDA are supplemental financial measures that are 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 calculations of EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies.

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, NGL and natural gas reserves, less future development and production costs, discounted at 10% per annum to reflect timing of future cash inflows 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, NGL 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-8 of this prospectus supplement and on page 3 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2014, 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-24 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 exploration and production company engaged in the acquisition and development of onshore energy resources in the United States of America. Our operations are located in the Eagle Ford shale in South Texas, where we hold approximately 63,000 net acres, 50,000 net acres of which are located in the liquids-rich area of the play, and in the Permian Basin in West Texas, where we hold approximately 57,000 net acres.

The Eagle Ford area is our largest producing area. For 2014, the Eagle Ford area provided approximately 90% of our total production, with approximately 62% of that production attributable to crude oil, condensate and NGLs. Our 2014 activities within the Eagle Ford targeted the delineation and development of four core areas: the Gates Ranch, central Dimmit County, northern LaSalle County and Briscoe Ranch areas. We believe these areas provide us with a multi-year project inventory of attractive investment opportunities, and we intend to continue to exploit the resource potential within these areas.

As part of our long-term strategy to pursue new growth opportunities, in 2013 and 2014 we acquired producing and undeveloped oil, NGL and natural gas interests in the Permian Basin in Reeves and Gaines Counties, Texas. For 2014, the Permian Basin area provided approximately 10% of our total production, with approximately 88% of that production attributable to crude oil, condensate and NGLs. Our operations in the Permian Basin are primarily focused in Reeves County in the southern Delaware Basin. Our strategy involves the disciplined delineation of our Delaware Basin potential and testing of optimal Permian horizontal well spacing to grow our reserves, production and project inventory.

As of December 31, 2014, we had an estimated 282 MMBoe of proved reserves, of which approximately 61% were liquids and 49% were classified as proved developed. Our reserves had an estimated standardized measure of discounted future net cash flows of \$2.6 billion and a PV-10 value of \$3.2 billion as of December 31, 2014. See Non-GAAP Financial Measures for a definition of PV-10 and Summary Historical Reserve and Operating Data for a reconciliation to our standardized measure. Our Eagle Ford production averaged 59.3 MBoe per day in 2014, an increase of 25% from the prior year. As part of our strategic decision to focus on the Eagle Ford area and to explore prospective basins, over the past few 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 1111 Bagby Street, Suite 1600, 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.

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Our strategy is to increase shareholder value by delivering 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. We recognize that there are industry cycles, such as the current commodity price downturn, that will impact our ability to fully execute this strategy in the near term. However, we believe our strategy is fundamentally sound, and we are currently focused on maintaining financial strength and flexibility; executing our business plan; leveraging our core asset base; and testing growth opportunities. Below is a discussion of the key elements of our strategy.

Maintain Financial Strength and Flexibility. We operate nearly all of our estimated proved reserves, which allows us to more effectively manage expenses, control the timing of capital expenditures and provide flexibility to adjust our capital program to prudently manage our resources. We expect internally generated cash flows and cash on hand to provide financial flexibility to fund our operations. In addition, we may supplement our operating cash flow through borrowings under our revolving credit facility and may consider accessing the capital markets. As of December 31, 2014, we had \$200 million outstanding and \$600 million available for borrowing under our revolving credit facility. We intend to continue to actively manage our exposure to commodity price risk in the marketing of our oil, NGL and natural gas production. For example, as of December 31, 2014, we had entered into a series of commodity derivative contracts through 2016. These notional financial instruments, such as swaps and costless collars, have the effect of hedging our exposure to commodity price fluctuations. The notional volumes hedged equate to a substantial portion of our 2015 projected equivalent production and a portion of our 2016 projected equivalent production.

Successfully Execute Our Business Plan. We have increased our total production and diversified our production base to include a more balanced commodity mix. In addition, we manage all elements of our cost structure, including drilling and operating costs and general and administrative 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, we have taken aggressive steps to ensure access to transportation and processing facilities in our operating areas where infrastructure and midstream services are in high demand. In the current commodity price environment, we are intensifying our focus on managing our cost structure to improve cash margins.

Leverage Core Asset Base. Our inventory of investment opportunities in the Eagle Ford area, which is a major source of our production and reserves, provides projects with higher economic returns. With the addition of our Permian Basin assets, we have increased our portfolio of long-lived, oil-rich horizontal resource projects that will further drive our long-term growth and sustainability. We recognize that the value of our project inventory is sensitive to commodity prices. In the current price environment, we are reducing capital spending to a level that delivers our targets while preserving the value of our inventory for a commodity price recovery.

Test Future Growth Opportunities. Our strategy involves the disciplined delineation of our Delaware Basin potential and the testing of optimal Permian horizontal well spacing. In South Texas, we identify opportunities to expand recoveries from our current Eagle Ford assets. When commodity prices recover, we plan to test drilling both upper and lower Eagle Ford wells in a staggered pattern pilot program that will access new resource if successful. We intend to maintain, further develop and apply the technological expertise that helped us establish a major production base in the Eagle Ford area. We use advanced geological and geophysical technologies, detailed petrophysical analyses, advanced reservoir engineering and sophisticated drilling, completion and stimulation techniques to grow our reserves, production and project inventory. We intend to prudently manage our operational footprint in the Eagle Ford and Permian areas. Over the long term, as industry market conditions dictate, we may evaluate new areas within the United States characterized by a significant presence of resource potential that can be exploited utilizing our

technological expertise.

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The Offering

Issuer	Rosetta Resources Inc.
Common Stock Offered by the Issuer	12,000,000 shares of our common stock, or 13,800,000 shares of our common stock if the underwriter exercises its option to purchase additional shares of common stock in full.
Common Stock Outstanding after this Offering(1)	73,882,778 shares of our common stock, or 75,682,778 shares of our common stock if the underwriter exercises its option to purchase additional shares of common stock in full.
Use of Proceeds	We expect to receive net proceeds from this offering of approximately \$ million, or \$ million if the underwriter exercises its option to purchase additional shares of common stock in full, in each case after deducting the underwriting discounts and commissions and estimated offering expenses. We intend to use the net proceeds from this offering to repay outstanding borrowings under our revolving credit facility and for general corporate purposes. See Use of Proceeds.
Conflicts of Interest	An affiliate of the underwriter is a lender 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 the underwriter (or its affiliate), 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-8 of this prospectus supplement and on page 3 of the accompanying prospectus, as well as Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2014, for more information about important risks that you should consider before making an investment in our common stock.
Dividend Policy	The terms of our revolving credit facility and the indentures governing our senior notes (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

- (1) Based on shares of common stock outstanding on March 5, 2015, and excludes (a) 97,506 shares issuable as of March 5, 2015 under outstanding options at a weighted average exercise price of \$13.61 and (b) 1,155,758 unvested restricted shares as of March 5, 2015 with a weighted average grant date fair value price of \$28.22.

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Rating Service (Standard & Poor s) and no default or event of default has occurred or is continuing under such revolving credit facility or indentures, 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

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The following table sets forth our summary historical consolidated 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, 2012, 2013 and 2014 and our audited balance sheets as of December 31, 2013 and 2014.

You should read this historical 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, 2014, as well as our historical financial statements and notes thereto, 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.

(Dollars in thousands, except per share amounts)	Year Ended December 31,		
	2012	2013	2014
Income Statement Data:			
Revenues:			
Oil sales	\$ 318,782	\$ 475,119	\$ 574,552
NGL sales	160,461	198,966	222,682
Natural gas sales	93,711	147,028	213,609
Derivative instruments	40,545	(7,095)	293,836
Total revenues	613,499	814,018	1,304,679
Operating costs and expenses:			
Lease operating expenses	35,138	53,336	93,202
Treating and transportation	51,826	71,338	88,501
Taxes, other than income	24,013	31,075	45,956
Depreciation, depletion and amortization	154,223	218,571	415,823
Reserve for commercial disputes		20,450	5,800
General and administrative costs	68,731	73,043	79,297
Total operating costs and expenses	333,931	467,813	728,579
Operating income	279,568	346,205	576,100
Other expense (Income):			
Interest expense, net of interest capitalized	24,316	35,957	75,292
Interest income	(7)	(2)	(15)
Other expense, net	60	314	12,379
Total other expense	24,369	36,269	87,656
Income before provision of income taxes	255,199	309,936	488,444
Income tax expense	95,904	110,584	174,882
Net income	\$ 159,295	\$ 199,352	\$ 313,562

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(Dollars in thousands, except per share amounts)	Year Ended December 31,		
	2012	2013	2014
Earnings per share:			
Basic	\$ 3.03	\$ 3.40	\$ 5.10
Diluted	\$ 3.01	\$ 3.39	\$ 5.09
Weighted average shares outstanding:			
Basic	52,496	58,571	61,455
Diluted	52,887	58,830	61,649
Other Financial Data:			
Net cash provided by operating activities	\$ 370,630	\$ 591,009	\$ 648,605
Net cash used in investing activities	(533,641)	(1,829,288)	(1,297,553)
Net cash provided by financing activities	152,747	1,395,277	489,561
EBITDA(1)	433,798	564,778	991,938
Adjusted EBITDA(1)	432,668	592,100	708,979

(Dollars in thousands)	As of December 31,	
	2013	2014
Balance Sheet Data		
Cash and cash equivalents	\$ 193,784	\$ 34,397
Total assets	3,276,618	4,250,667
Total liabilities	1,928,284	2,581,554
Total stockholders' equity	1,348,334	1,669,113

- (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 earnings before interest expense, income taxes and depreciation, depletion and amortization expense and other similar non-cash or non-recurring charges. 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)	Year Ended December 31,		
	2012	2013	2014
Net income	\$ 159,295	\$ 199,352	\$ 313,562
Income tax expense	95,904	110,584	174,882
Interest expense, net of interest capitalized	24,316	35,957	75,292
Other expense, net	60	314	12,379
Depreciation, depletion and amortization	154,223	218,571	415,823
EBITDA	\$ 433,798	\$ 564,778	\$ 991,938
Unrealized derivative (gain)/loss	(19,662)	16,345	(282,250)(1)
Stock-based compensation expense	18,539	10,979	8,806

Interest income	(7)	(2)	(15)
Cash premium on debt extinguishment			(9,500)
Adjusted EBITDA	\$ 432,668	\$ 592,100	\$ 708,979

- (1) Reflects 2014 unrealized derivative gain due to changes in the fair value of the Company's commodity derivative contracts as a result of recent declining commodity prices.

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The following table sets forth certain information with respect to our historical consolidated oil, NGL and natural gas reserves as of December 31, 2013 and 2014 and production for the years ended December 31, 2013 and 2014.

The historical reserve information included in this table is based upon reserve reports prepared by Rosetta and audited by Netherland, Sewell & Associates, Inc., our independent petroleum engineers. 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, 2014, which is incorporated by reference into this prospectus supplement.

	Year Ended December 31,	
	2013	2014
Estimated net proved reserves (at period end):		
Oil (MMBbls)	66.5	67.9
NGLs (MMBbls)	99.3	104.6