Rosetta Resources Inc. Form 424B3 November 14, 2006

> Filed pursuant to Rule 424(b)(3) Registration Number 333-12888

PROSPECTUS SUPPLEMENT NO. 2 (To the Prospectus dated June 14, 2006)

50,000,000 Shares of Common Stock

This Prospectus Supplement No. 2 supplements the prospectus dated June 14, 2006 and the Prospectus Supplement No. 1 dated August 15, 2006 (together, the "Prospectus"), relating to the sale by the holders of Common Stock of Rosetta Resources Inc. This Prospectus Supplement should be read in conjunction with the Prospectus which is to be delivered with this Prospectus Supplement. If there is any inconsistency between the information in the Prospectus and this prospectus supplement, you should rely on the information in this prospectus supplement.

INVESTING IN OUR COMMON STOCK INVOLVES RISK. SEE "RISK FACTORS" BEGINNING ON PAGE 17 OF OUR ANNUAL REPORT ON FORM 10-K FOR THE YEAR ENDED DECEMBER 31, 2005 AND ON PAGE 10 OF THE PROSPECTUS.

This prospectus supplement is filed for the purposes of including the information contained in our quarterly report on Form 10-Q for the quarter ended September 30, 2006, which was filed with the Securities and Exchange Commission on November 14, 2006, and of clarifying certain Selling Stockholders information.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The date of this Prospectus Supplement is November 14, 2006.

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

FORM 10-Q

[X] Quarterly Report Pursuant To Section 13 or 15(d) of The Securities Exchange Act of 1934

For The Quarterly Period Ended September 30, 2006

OR

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

Commission File Number: 000-51801

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

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 [X] 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 [X]

Edgar Filing: Rosetta Resources Inc. - Form 424B3

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 $[X]$
The number of shares of the registrant's Common Stock, \$.001 par value per share, outstanding as of November 2, 2006 was 50,647,319.

Table of Contents

Table of Contents

<u>Part I -</u>	Financial Information	
	<u>Item 1. Financial Statements</u>	3
	Item 2. Management's Discussion and Analysis of Financial	
	Condition and Results of Operations	22
	Item 3. Quantitative and Qualitative Disclosures about Market Risk	30
	Item 4. Controls and Procedures	30
<u>Part II -</u>	Other Information	32
	Item 1. Legal Proceedings	32
	Item 1A. Risk Factors	33
	Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	36
	Item 3. Defaults upon Senior Securities	36
	Item 4. Submission of Matters to a Vote of Security Holders	36
	Item 5. Other Information	36
	Item 6. Exhibits	37
<u>Signatures</u>		38
Exhibit Index		39
Rule 13a-14(a) Certification	on executed by B.A. Berilgen	
Rule 13a-14(a) Certification	on executed by Michael J. Rosinski	
Section 1350 Certification		

Table of Contents

Part I. Financial Information Item 1. Financial Statements

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

Assets Current assets:	\$	September 30, 2006 (Unaudited)]	December 31, 2005
Cash and cash equivalents	\$	78,743	\$	99,724
Restricted cash	·	15,000	Ċ	-
Accounts receivable		34,751		40,051
Derivative instruments		23,591		1,110
Deferred income taxes		-		10,962
Income tax receivable		-		6,000
Other current assets		9,696		9,411
Total current assets		161,781		167,258
Oil and natural gas properties, full cost method, of which \$51.0 million at				
September 30,				
2006 and \$30.6 million at December 31, 2005 were excluded from				
amortization		1,134,754		973,185
Other		3,868		2,912
		1,138,622		976,097
Accumulated depreciation, depletion, and amortization		(117,186)		(40,161)
Total property and equipment, net		1,021,436		935,936
Deferred loan fees		3,670		4,555
Deferred income taxes		-		8,594
Other assets		3,458		2,926
		7,128		16,075
Total assets	\$	1,190,345	\$	1,119,269
Liabilities and Stockholders' Equity				
Current liabilities:				
Accounts payable	\$	16,604	\$	13,442
Accrued liabilities		42,604		28,397
Royalties payable		13,479		15,511
Derivative instruments		-		29,957
Prepayment on gas sales		10,599		14,528
Deferred income taxes		8,965		-
Total current liabilities		92,251		101,835
Long-term liabilities:				
Derivative instruments		7,952		52,977
Long-term debt		240,000		240,000
Asset retirement obligation		9,698		9,034
Deferred income taxes		28,179		-
Total liabilities		378,080		403,846
Commitments and contingencies (Note 10)				

Edgar Filing: Rosetta Resources Inc. - Form 424B3

Stockholders' equity:

1 7		
Common stock, \$0.001 par value, 150,000,000 shares authorized;		
50,380,475 issued	50	50
Additional paid-in capital	754,002	748,569
Treasury stock, at cost; 83,881 and no shares at September 30, 2006 and		
December 31, 2005, respectively	(1,526)	-
Accumulated other comprehensive income (loss)	10,792	(50,731)
Retained earnings	48,947	17,535
Total stockholders' equity	812,265	715,423
Total liabilities and stockholders' equity	\$ 1,190,345 \$	1,119,269

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

Table of Contents

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

Successor-Consolidated Successor-Consolidated redecessor-Combined

Nine Months

Three Months Ended September 30, 2006 2005 Ended September 30, Six Months Ended June 30,