

Rosetta Resources Inc.
Form DEF 14A
March 27, 2013
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities

Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to §240.14a-12

Rosetta Resources Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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ROSETTA RESOURCES INC.

1111 Bagby Street, Suite 1600

Houston, Texas 77002

April 8, 2013

Dear Rosetta Stockholder:

I am pleased to invite you to Rosetta's Annual Meeting of Stockholders. The Annual Meeting will be held at Heritage Plaza, Plaza Conference Room, Plaza Level, 1111 Bagby Street, Houston, Texas 77002, on Thursday, May 16, 2013 at 9:00 a.m., Central time.

The Notice of Annual Meeting and Proxy Statement, which are attached, provide information concerning the matters to be considered at the Annual Meeting. The Annual Meeting will cover the business contained in the Proxy Statement, including the election of seven directors to Rosetta's Board of Directors. I encourage you to read the enclosed Notice of Annual Meeting and Proxy Statement, which contains information about the Board of Directors and its committees and background information about each of the nominees for the Board. The Proxy Statement provides information concerning Rosetta's compensation of executive officers and includes a proposal for an advisory vote on executive compensation. The Proxy Statement also includes a proposal to approve the Rosetta Resources Inc. 2013 Long-Term Incentive Plan and a proposal to ratify the appointment of Rosetta's independent registered public accounting firm.

We hope you can join us on May 16, 2013. Whether or not you can attend personally, it is important that your shares are represented at the meeting. We value your opinions and encourage you to participate in this year's Annual Meeting by voting your proxy. You may vote by Internet or by telephone using the instructions on the proxy card, or by signing your proxy card and returning it in the envelope provided. You can also attend in person and vote at the Annual Meeting.

Sincerely,

James E. Craddock
*Chairman of the Board, Chief Executive Officer
and President*

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ROSETTA RESOURCES INC.

1111 Bagby Street, Suite 1600

Houston, Texas 77002

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held on May 16, 2013

To the Stockholders of

Rosetta Resources Inc.:

The Annual Meeting of Stockholders of Rosetta Resources Inc., a Delaware corporation (the Company, Rosetta, we, us or our), will be held Thursday, May 16, 2013 at 9:00 a.m., Central time, at Heritage Plaza, Plaza Conference Room, Plaza Level, 1111 Bagby Street, Houston, Texas 77002, for the following purposes:

1. To elect seven directors to the Board of Directors of the Company;
2. To conduct an advisory vote on executive compensation;
3. To approve the Rosetta Resources Inc. 2013 Long-Term Incentive Plan;
4. To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013; and
5. To transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

The Board of Directors has fixed the close of business on March 20, 2013 as the record date for the determination of stockholders entitled to notice of, and to vote at, the meeting and any adjournment or postponement thereof. Only stockholders of record at the close of business on the record date are entitled to notice of, and to vote at, the meeting. A complete list of the stockholders will be available for examination at the offices of the Company at 1111 Bagby Street, Suite 1600, Houston, Texas 77002 during ordinary business hours for a period of 10 days prior to the meeting.

All stockholders are cordially invited to attend the meeting. Stockholders are urged to vote, whether or not they plan to attend the meeting. Please take time to vote by following the Internet or telephone voting instructions provided on the accompanying proxy card, or you may complete, date and sign the accompanying proxy card and return it in the postage-paid return envelope provided. You may revoke your proxy at any time before the vote is taken by following the instructions in this Proxy Statement.

By Order of the Board of Directors of

ROSETTA RESOURCES INC.

Karen Paganis

Houston, Texas

April 8, 2013

IMPORTANT NOTICE REGARDING THE INTERNET AVAILABILITY OF PROXY MATERIALS

FOR THE STOCKHOLDERS MEETING TO BE HELD ON THURSDAY, MAY 16, 2013

The Company's Notice of Annual Meeting, Proxy Statement, and the 2012 Annual Report on Form 10-K are available on the Internet at www.proxyvote.com.

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Number of Proxy Statements and Annual Reports

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EXHIBIT A ROSETTA RESOURCES INC. 2013 LONG-TERM INCENTIVE PLAN

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GENERAL INFORMATION

Q: What am I voting on?

- A: 1. The election of Richard W. Beckler, James E. Craddock, Matthew D. Fitzgerald, Philip L. Frederickson, D. Henry Houston, Carin S. Knickel, and Donald D. Patteson, Jr. to the Board of Directors;
2. An advisory vote on executive compensation;
3. The approval of the Rosetta Resources Inc. 2013 Long-Term Incentive Plan; and
4. The ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm.

Q: Who can vote?

- A: Stockholders as of the close of business on March 20, 2013 are entitled to vote at the Annual Meeting.

Q: How do I vote?

- A: You may vote your shares either in person or by proxy. To vote by proxy, you may vote via telephone by using the toll-free number listed on the proxy card, via the Internet at the website for Internet voting listed on the proxy card, or you may mark, date, sign, and mail the enclosed proxy card in the prepaid envelope. Giving a proxy will not affect the right to vote the shares if you attend the Annual Meeting and want to vote in person by voting in person you automatically revoke the proxy. If you vote the shares in person, you must present proof that you own the shares as of the record date through brokers' statements or similar proof and identification. You also may revoke the proxy at any time before the meeting by giving the Corporate Secretary written notice of the revocation or by submitting a later-dated proxy. If you return the signed proxy card but do not mark the voting preference, the individuals named as proxies will vote the shares in accordance with the recommendations of the Board of Directors as set forth below.

Q: How does the Board recommend I vote on the proposals?

- A: 1. The Board unanimously recommends that you vote FOR the election of each of the Board's director nominees.
2. The Board unanimously recommends that you vote FOR the approval of the advisory resolution on executive compensation.
3. The Board unanimously recommends that you vote FOR the approval of the Rosetta Resources Inc. 2013 Long-Term Incentive Plan.
- 4.

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The Board unanimously recommends that you vote FOR the ratification of the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm.

Q: How many shares can vote?

A: As of the record date, March 20, 2013, Rosetta had outstanding 52,838,065 shares of common stock. Each share of common stock is entitled to one (1) vote. Each share of restricted common stock held by Rosetta's employees and independent directors is entitled to one (1) vote, regardless of any outstanding vesting period.

Q: What is a broker non-vote?

A: Under the rules of various national securities exchanges, brokers may vote their customers' stock held in street name on routine matters when the brokers have not received voting instructions from their customers. Brokers may not vote their customers' stock held in street name on non-routine matters unless they have received voting instructions from their customers. Non-voted stock on non-routine matters are called broker non-votes.

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Q: What routine matters will be voted on at the Annual Meeting?

A: The ratification of the appointment of the independent registered public accounting firm is a routine matter on which brokers may vote in their discretion on behalf of customers who have not provided voting instructions.

Q: What non-routine matters will be voted on at the Annual Meeting?

A: The election of directors, the advisory executive compensation vote, and approval of the Rosetta Resources Inc. 2013 Long-Term Incentive Plan are considered non-routine matters on which brokers are not allowed to vote unless they have received voting instructions from their customers.

Q: How many votes are needed to approve each of the proposals?

A: A nominee for director shall be elected to the Board if the votes cast for such nominee's election exceed the votes cast against such nominee's election. Abstentions and broker non-votes do not count as votes cast with respect to this proposal and therefore will not affect the outcome of the election. Pursuant to our Board Governance Guidelines, each nominee has submitted a contingent resignation letter and should a nominee for director currently serving on the Board (a holdover director) fail to receive the required number of votes for election, his or her resignation is effective. In such case, the Nominating and Corporate Governance Committee of the Board will consider and recommend to the Board whether to accept or decline such resignation, considering any factors that the Committee deems relevant. The Board will then act with respect to such holdover director within ninety days from the date of the certification of the election results. The approval of the Rosetta Resources Inc. 2013 Long-Term Incentive Plan, ratification of the appointment of the independent registered public accounting firm, and the approval, by non-binding vote, of executive compensation require the affirmative vote of a majority of votes cast at the Annual Meeting. For these purposes, abstentions and broker non-votes are not counted as a vote cast either for or against the proposals and therefore will not affect their outcome.

Q: Can I vote on other matters?

A: We do not expect any other matter to come before the meeting. We did not receive any stockholder proposals by the date required for such proposals to be considered. If any other matter is presented at the Annual Meeting, the signed proxy gives the individuals named as proxies authority to vote the shares on such matters at their discretion.

Q: Who is soliciting my proxy?

A: The Board of Directors of Rosetta Resources Inc. is sending you this Proxy Statement in connection with the solicitation of proxies for use at Rosetta's 2013 Annual Meeting of Stockholders. Certain directors, officers and employees of Rosetta may also solicit proxies on our behalf by mail, phone, fax or in person. We have retained Morrow & Co., LLC to assist in the solicitation of proxies for a fee of approximately \$8,500 plus reimbursement of out-of-pocket expenses.

Certain statements in this proxy statement, other than purely historical information, including estimates, projections, statements relating to our business plans, objectives, equity grant practices and expectations and expected operating results, and the assumptions upon which those statements are based, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Forward-looking statements may appear throughout this report, including without limitation, the sections under the headings "Compensation Discussion and Analysis" and "Proposal 3 Approval of the Rosetta Resources Inc. 2013 Long-Term Incentive

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Plan. These forward-looking statements in some cases are identified by terminology such as may, will, could, should, would, expect, project, intend, anticipate, believe, estimate, predict, potential, future, pursue, target or continue, the negative of such term or other comparable terminology. Forward-looking statements are based on current expectations and assumptions that are subject to risks and uncertainties which may cause actual results to differ materially from the forward-looking statements. A detailed discussion of risks and uncertainties that could cause actual results and events to differ materially from such forward-looking statements is included in the sections titled Risk Factors of our Forms 10-K and 10-Q. We undertake no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events, or otherwise. These cautionary statements qualify all forward-looking statements attributable to us, or persons acting on our behalf. Management cautions all readers that the forward-looking statements contained in this proxy statement are not guarantees of future performance, actions or activities, and we cannot assure any reader that such statements will be realized or that the events and circumstances they describe will occur.

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ROSETTA RESOURCES INC.

1111 Bagby Street, Suite 1600

Houston, Texas 77002

PROXY STATEMENT

For Annual Meeting of Stockholders

To Be Held on May 16, 2013

INTRODUCTION

The accompanying proxy, mailed together with this Proxy Statement, is solicited by and on behalf of the Board of Directors (the Board of Directors or the Board) of Rosetta Resources Inc., a Delaware corporation (the Company, Rosetta, we, us or our), for use at the Annual Meeting of Stockholders of the Company (the Annual Meeting) to be held at 9:00 a.m., Central time, on May 16, 2013 at Heritage Plaza, Plaza Conference Room, Plaza Level, 1111 Bagby Street, Houston, Texas 77002, and at any adjournment or postponement thereof. The approximate date on which this Proxy Statement and the accompanying proxy will first be mailed to stockholders of the Company is April 8, 2013.

Shares represented by valid proxies will be voted at the meeting in accordance with the directions given. If no directions are given, the shares will be voted in accordance with the recommendations of the Board of Directors. Any stockholder of the Company returning a proxy has the right to revoke the proxy at any time before it is voted by communicating the revocation in writing to Karen Paganis, Assistant General Counsel and Corporate Secretary, Rosetta Resources Inc., 1111 Bagby Street, Suite 1600, Houston, Texas 77002, or by voting at a later time by Internet or telephone, by submitting a proxy bearing a later date or by attending the meeting and voting in person. No revocation by written notice or by delivery of another proxy shall be effective until the notice of revocation or other proxy, as the case may be, has been received by the Company at or prior to the meeting.

Only stockholders of record of the Company's common stock, par value \$0.001 per share, at the close of business on March 20, 2013, the record date for the meeting, are entitled to notice of and to vote at the meeting. On that date, Rosetta had outstanding 52,838,065 shares of common stock, each of which is entitled to one (1) vote.

Voting Procedures and Tabulation

Stockholders of record of common stock of the Company may vote in person at the meeting, via Internet or telephone, or by signing, dating, and returning the proxy card in the accompanying postage-paid envelope. Stockholders whose shares of common stock of the Company are held in the name of a bank, broker or other holder of record (that is, in street name) will receive separate instructions from such holder of record regarding the voting of proxies.

Rosetta will appoint one or more inspectors of election to act at the meeting and to make a written report thereof. Prior to the meeting, the inspectors will sign an oath to perform their duties in an impartial manner and according to the best of their ability. The inspectors will determine the number of shares represented at the meeting and the validity of proxies and ballots, count all votes and ballots, and perform certain other duties.

The inspectors will tabulate the number of votes cast for, against or withheld from each matter submitted at the meeting for a stockholder vote. Votes that are withheld will be excluded entirely from the vote and will have no effect. Under the Marketplace Rules of the NASDAQ Stock Market LLC (NASDAQ), brokers who hold

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shares in street name have the discretionary authority to vote on certain routine items when they have not received instructions from beneficial owners. For purposes of the Annual Meeting, the ratification of the appointment of the Company's independent registered public accounting firm is a routine item. The election of directors is a non-routine item, meaning brokers are prohibited from voting with respect to the proposal if they have not received instructions from beneficial owners with respect to such proposal (so-called "broker non-votes"). The advisory vote on executive compensation is also a non-routine item. A broker non-vote has the effect of a negative vote when a majority of the issued and outstanding shares is required for approval of a particular proposal and has no effect when a plurality or a majority of the votes cast is required for approval. Since the election of directors, the ratification of the appointment of our independent registered public accounting firm, the advisory vote on executive compensation and the approval of the Rosetta Resources Inc. 2013 Long-Term Incentive Plan require the affirmative vote of a majority of the votes cast, broker non-votes will not affect the outcome of voting on those proposals.

Voting Securities

Only holders of record of common stock of the Company at the close of business on March 20, 2013, the record date for the Annual Meeting, are entitled to notice of, and to vote at, the meeting. A majority of the shares of common stock entitled to vote, present in person or represented by proxy, is necessary to constitute a quorum. Abstentions and broker non-votes will be counted as present for establishing a quorum.

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CORPORATE GOVERNANCE AND COMMITTEES OF THE BOARD

Board of Directors

The Board of Directors currently consists of seven directors. All seven current directors are standing for reelection. All of the Board members standing for reelection (other than James E. Craddock, Chairman of the Board, Chief Executive Officer and President) meet the independence criteria under the NASDAQ rules. You may not vote for a greater number of persons than the number of nominees named.

Each Board member serves a one-year term or until such Board member's successor is duly elected to serve on the Board. In addition, our Bylaws provide that the authorized number of directors which shall constitute the whole Board of Directors may be changed by resolution duly adopted by the Board. Any vacancies and additional directorships resulting from an increase may be filled by the affirmative vote of a majority of the directors then in office, even though less than a quorum.

During 2012, the Board met eleven times and acted by unanimous written consent two times. Each director attended all of the meetings of the Board of Directors and its committees of which such director was a member during the past fiscal year, either in person or by telephone. All of the directors attended the 2012 Annual Meeting of Stockholders.

Committees of the Board

The Board of Directors has established three committees: the Audit Committee, the Compensation Committee, and the Nominating and Corporate Governance Committee.

Audit Committee and Audit Committee Financial Expert. The Audit Committee appoints the independent registered public accounting firm to audit our financial statements and oversee the annual audit. The Audit Committee also approves any other services provided by the public accounting firm. The Audit Committee provides assistance to the Board of Directors in fulfilling its oversight responsibility to the stockholders, relating to the integrity of the quarterly and annual financial statements, the compliance with legal and regulatory requirements governing the preparation and reporting of financial information, the independent registered public accounting firm's qualifications and independence, and the performance of the internal audit function. It is the responsibility of the Audit Committee to maintain free and open communication with the independent registered public accounting firm, the internal accounting function and management of the Company. Additionally, the Audit Committee obtains and reviews an audit report by the independent reserve engineering consultants regarding the evaluation of the Company's reserves. Messrs. Matthew D. Fitzgerald, D. Henry Houston, and Donald D. Patteson, Jr. serve on the Audit Committee, and are all independent under NASDAQ rules and the rules of the Securities and Exchange Commission (SEC). Mr. Fitzgerald, Chairman of the Audit Committee, and Messrs. Houston and Patteson are Audit Committee financial experts, as defined under the rules of the SEC.

The Audit Committee met six times during 2012. Each member of the Audit Committee attended all of the meetings, either in person or by telephone. See the report of the Audit Committee in this Proxy Statement. A copy of the Audit Committee's charter is posted in the Governance section of our website at www.rosettaresources.com.

Compensation Committee. The Compensation Committee reviews the compensation and benefits of our executive officers, establishes and reviews general policies related to compensation and benefits, and administers the Company's long-term incentive plan. Pursuant to the Compensation Committee charter, the Compensation Committee determines the compensation of senior executives of the Company. Messrs. Donald D. Patteson, Jr. and Philip L. Frederickson and Ms. Carin S. Knickel serve on the Compensation Committee of the Board and are independent under NASDAQ rules, each a non-employee director within the meaning of Section 16 of the Securities Exchange Act of 1934, as amended, and each is an outside director within the meaning of

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Section 162(m) of the Internal Revenue Code. The Chairman is Mr. Patteson. The Compensation Committee met five times during 2012. Each member of the Compensation Committee was present, either in person or by telephone, for all of the meetings. A copy of the Compensation Committee's charter is posted in the Governance section of our website at www.rosettaresources.com.

Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee assists the Board by identifying individuals qualified to become members of the Board, consistent with criteria approved by the Board, recommending director nominees for election at the Annual Meeting of Stockholders or for appointment to fill vacancies, recommending the election of officer candidates, monitoring the independence of Board members, ensuring the availability of director education programs, and advising the Board about the appropriate composition of the Board and its committees. The Nominating and Corporate Governance Committee also develops and recommends to the Board corporate governance principles and practices and assists in implementing them, including conducting a regular review of the corporate governance principles and practices. The Nominating and Corporate Governance Committee oversees the annual evaluation concerning the performance of the Board and the committees of the Board, makes a report to the Board on succession planning and evaluates potential successors to the CEO with the Board. Messrs. Richard W. Beckler and Philip L. Frederickson and Ms. Carin S. Knickel serve on the Nominating and Corporate Governance Committee of the Board, and are all independent under NASDAQ rules. The Chairman is Mr. Beckler. The Nominating and Corporate Governance Committee met four times in 2012. Each member of the Nominating and Corporate Governance Committee was present, either in person or by telephone, at all meetings during 2012. A copy of the Nominating and Corporate Governance Committee's charter is posted in the Governance section of our website at www.rosettaresources.com.

Corporate Governance

Board of Directors Governance Guidelines and Other Governance Documents. The Board of Directors has adopted the Board of Directors Governance Guidelines (Governance Guidelines) to govern the qualifications and conduct of the Board. The Governance Guidelines are posted in the Governance section of our website at www.rosettaresources.com together with the following governance documents:

Amended and Restated Bylaws,

Code of Business Conduct and Ethics (the Ethics Code),

Audit Committee Charter,

Compensation Committee Charter,

Nominating and Corporate Governance Committee Charter,

Non-Employee Director Stock Ownership Guidelines, and

Officers Stock Ownership Guidelines.

These documents are also available in print to any stockholder requesting a copy in writing from the Corporate Secretary of the Company at 1111 Bagby Street, Suite 1600, Houston, Texas 77002.

Director Independence. The standards applied by the Board of Directors in affirmatively determining whether a director is independent in compliance with the listing standards of NASDAQ generally provide that a director is not independent if: (a) the director is, or in the past three years has been, an employee of Rosetta or any of its subsidiaries; (b) a member of the director's immediate family is, or in the past three years has been, an executive officer of Rosetta or any of its subsidiaries; (c) the director or a member of the director's immediate family has received more than \$100,000 in compensation from Rosetta or any of its subsidiaries during any period of twelve consecutive months within the three years preceding the determination of independence other than compensation for service as a director, compensation of a family member who is

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an employee but not an executive officer or benefits under a tax-qualified retirement plan or non-discretionary plan; (d) the director or a

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member of the director's immediate family is, or in the past three years has been, employed in a professional capacity by PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm, or has worked for such firm in any capacity on Rosetta's audit; (e) the director or a member of the director's immediate family is, or in the past three years has been, employed as an executive officer of a company where a Rosetta executive officer serves on the compensation committee of such company; or (f) the director or a member of the director's immediate family is a partner in, a controlling stockholder of or an executive officer of a company that makes payments to, or receives payments from, Rosetta or any of its subsidiaries in an amount which, in any twelve-month period during the past three years, exceeds the greater of \$200,000 or five percent of the consolidated gross revenues of the company receiving the payment.

The Board of Directors, applying the standards referenced above, affirmatively determined that six of its members, Messrs. Beckler, Fitzgerald, Frederickson, Houston and Patteson and Ms. Knickel, constituting more than a majority of the Board, are independent under NASDAQ rules. The Board of Directors also determined that all members of the Audit Committee, Compensation Committee, and Nominating and Corporate Governance Committee are independent.

Independent Directors/Executive Sessions. In 2012, during Board and committee meetings, the independent directors met nine times in executive session, outside of the presence of members of the management team. The Audit Committee meets with the independent registered public accounting firm without anyone else present except for the other independent directors.

Board Leadership Structure and Role in Risk Oversight. The Board has employed a combined chairman and chief executive officer leadership structure with a separate lead independent director position over the past several years. The Board believes that this leadership structure is currently best for the Company, as it appropriately balances the need for the chief executive officer to manage the daily activities of the Company and provides for a lead independent director to oversee the executive sessions of the independent directors and enhances the relationship between the Board and the Chairman, CEO and President. The Board recently reconsidered this structure when Mr. Craddock was appointed Chairman, CEO and President and concluded that the interests of the stockholders are best served at the present time through continuation of a leadership model that has a combined Chairman and CEO position and a lead independent director. Mr. Craddock, as the current CEO of the Company, possesses an in-depth knowledge of the industry and the Company. This includes his knowledge of the Company's current operations and strategy, as well as new opportunities for the Company. The Board believes that these experiences and insights put our current CEO in the best position to provide broad leadership for the Board of Directors as it considers the Company's strategy in the future. The Board believes this leadership structure enhances the Board's role in risk oversight as Mr. Craddock is in a position to identify and elevate the most critical business issues for consideration by the Board. However, if circumstances change, the Board retains authority to separate the positions of Chairman and CEO at any time.

The Board is actively involved in risk oversight for the Company. The Board believes it is a Board-level function to provide oversight to the Company in the management of risks. The Board recognizes there is a balance between risk and reward and believes the Company's overall risk profile is appropriate. While certain risks are in the purview of committees of the Board and are scrutinized at the committee level, the full Board has responsibility for risk oversight. The committees regularly report their risk-oversight activities to the Board.

Management of the Company takes a comprehensive approach to risk management, with the view that risk is inherent in every action taken by the Company. Management of risk is a responsibility of employees at all levels. As management refines the strategic plan for the Company on a regular basis, it assesses specific areas of risk to implementation of the strategy. The Company has also developed an enterprise risk management program to assess and manage key risks to the Company. Regular operational and strategic briefings are provided to the Board and inherent risks are discussed with the Board. The Board receives a briefing on the enterprise risk management process on an annual basis.

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Through the Audit Committee, the Board monitors financial risk and hedging activities. The internal audit function is responsible for monitoring the Company's compliance with the provisions of the Sarbanes-Oxley Act of 2002 and for financial and operational audits. The internal audit function reports directly to the Audit Committee, while the Chief Financial Officer has administrative responsibility for the internal audit function.

The Compensation Committee monitors risks associated with compensation practices for the Company. While the Company does not believe that any of our compensation policies create risks that are reasonably likely to have a material adverse effect on the Company, the Board believes that it is important to articulate our major policies and how they incentivize actions and decisions that benefit stockholders. First, because Rosetta provides a portion of compensation to many of our employees in the form of restricted stock, a majority of our employees are stockholders. Like the shares granted to our executives, the restricted stock granted to employees vests over three years. We believe this vesting period helps to ensure that both employees and executives take actions and make decisions which contribute to long-term positive performance, thus aligning us with the long-term interests of our stockholders. Second, we believe our annual bonus plan measures the behaviors that contribute to the success of an exploration and production business. We base our payout on the following equally weighted metrics: production volumes (barrels of oil equivalent (BOE)/day), reserves added, finding costs, earnings before interest, taxes, depreciation and amortization (EBITDA), lifting and operating expenses and general and administrative expenses per unit produced; and we reserve the right to modify the result based on such additional factors as total stockholder return, environmental, health and safety performance, and long-term inventory development. The metrics used in developing our bonus pool are the same for both executives and employees to ensure internal alignment. Further, we have designed the bonus plan metrics with diversified measures and compensating objectives that we consider very beneficial to overall financial performance. For example, adding costly reserves may help us exceed the reserve goal, but doing so would likely cause us to fall short of the finding and development cost goal. We believe that the granting of restricted stock to the vast majority of our employees and the bonus plan we utilize promote behavior that is consistent with the interests of our stockholders, both in the short-term and the long-term. Further, a significant portion of executive compensation is in the form of long-term compensation, including performance shares, which is paid over time. For further discussion of Rosetta's compensation philosophy, see Compensation Discussion and Analysis.

Board Composition. The Nominating and Corporate Governance Committee is responsible for reviewing the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. The Nominating and Corporate Governance Committee believes that the minimum qualifications for serving as a director are that a nominee demonstrate an ability to make a meaningful contribution to the Board's oversight of the business and affairs and have a reputation for ethical conduct. Nominees for director will include individuals who, taking into account their diversity, skills, and experience in the context of the needs of the Board, as well as other relevant factors such as conflicts of interest and other commitments, would enhance the Board's ability to manage and direct the affairs and business of the Company. Although we do not have a policy on diversity for Board members, it is a factor in assessing potential directors. Diversity not only encompasses racial and gender diversity, but it also relates to diversity of experience and background in an effort to ensure that the composition of our directors provides a strong and well-balanced foundation of skill and experience.

The Nominating and Corporate Governance Committee identifies candidates by asking the current directors and executive officers to notify the Nominating and Corporate Governance Committee if they become aware of individuals who meet the criteria described above. The Nominating and Corporate Governance Committee has authority to engage firms that specialize in identifying director candidates. The Nominating and Corporate Governance Committee will also consider candidates recommended by stockholders. After the Nominating and Corporate Governance Committee has identified a potential candidate, it collects and reviews available information regarding the individual, and if the Nominating and Corporate Governance Committee determines that the candidate warrants further consideration, the Chairman or another committee member will contact the person. Generally, if the individual expresses a willingness to be considered for election to the Board, the Nominating and Corporate Governance Committee will request information from the candidate, review the

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individual's qualifications, engage a third party to conduct a background investigation, and conduct one or more interviews with the candidate. When the Nominating and Corporate Governance Committee has completed this process, it makes a recommendation to the full Board.

Board's Interaction with Stockholders. The CEO and other corporate officers are responsible for establishing effective communications with the stockholders. In accordance with this policy, management speaks for the Company. This policy does not preclude independent directors from meeting with stockholders, but where appropriate, management should be present at such meetings. Stockholders may submit communications to directors by writing to the Corporate Secretary of the Company at the executive offices set forth in this Proxy Statement under "Additional Information - Stockholder Communications with the Board of Directors."

Business Conduct and Ethics. The Ethics Code requires all of our directors, officers and employees to adhere to certain basic principles that uphold the Company's guiding values of integrity, accountability and professionalism. The Ethics Code requires such individuals to comply with the law, avoid conflicts of interest, compete fairly and honestly, maintain a safe and healthy work environment, and preserve Company assets. This includes specific compliance procedures and a mechanism for reporting violations to a supervisor, the Internal Audit Department, or to the legal department. We have established an ethics hotline for employees to use and a procedure for maintaining anonymity with respect to an employee reporting a violation of the Ethics Code. You can access the Ethics Code in the "Corporate Governance" section of our website at www.rosettaresources.com. Changes in or waivers of the Ethics Code may be made only by the Board of Directors or, in the case of any change or waiver of the Ethics Code for the principal executive officer, principal financial officer, principal accounting officer, controller or persons performing similar functions (collectively, the "principal officers"), only by the independent directors of the Board of Directors. All changes in or waiver of the Ethics Code for the principal officers will be promptly disclosed as required by law or stock exchange regulations, which we would provide on our website.

Securities Trades Policy. The Company Securities Trades Policy applies to the Board of Directors as well as officers and employees of Rosetta. The Company considers it improper and inappropriate for any director, officer or employee of the Company to engage in short-term or speculative transactions in the Company's securities. All directors, officers and employees are prohibited from engaging in short sales, engaging in any derivative transactions in the Company's securities, holding Company securities in a margin account, or pledging Company securities as collateral for a loan.

Political Involvement. The Company does not make political contributions. While individuals are encouraged to make personal political contributions as guided by their personal convictions, it is the Company's policy not to make contributions to political candidates.

Directors' Continuing Education. The Governance Guidelines require directors to participate in continuing education in subjects relevant to the duties of a director. While the Company arranges for director education presentations around the regular meetings of the Board of Directors, the directors also attend continuing education programs provided by independent organizations.

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PROPOSAL 1

ELECTION OF DIRECTORS

As of the date of this Proxy Statement, the Company's Board consists of seven directors, all of whom will stand for election, and six of whom are independent under NASDAQ rules. Information regarding the business experience and qualifications of each nominee is provided below. All directors are elected annually to serve until the next Annual Meeting and until successors are elected.

Directors are elected by a majority vote of the shares present at the Annual Meeting if the election is uncontested which means the number of candidates for the board do not outnumber the positions available. Since this director election is uncontested, the director nominees receiving an affirmative vote of a majority of the votes cast are elected. If you sign the proxy card but do not give instructions with respect to the voting of directors, the proxy holders will vote in favor of the seven persons recommended by the Board. Pursuant to our Board Governance Guidelines, each nominee has submitted a contingent resignation letter, and should a nominee for director currently serving on the Board (a holdover director) fail to receive the required number of votes for election, his or her resignation will be deemed submitted to the Board. In such case, the Nominating and Corporate Governance Committee of the Board will consider and recommend to the Board whether to accept or decline such resignation, considering any factors that the Committee deems relevant. The Board will then act with respect to such holdover director within ninety days from the date of the certification of the election results.

The Board expects that all of the nominees will be available to serve as directors as indicated. If any nominee should become unavailable, however, the proxy holders will vote for a nominee or nominees who would be designated by the Board of Directors unless the Board chooses to reduce the number of directors serving on the Board.

The Board of Directors unanimously recommends that you vote FOR the election of each of the Board's director nominees.

Company Nominees for Director

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.

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

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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.

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 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.

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.

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

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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.

Stockholder Nomination of Directors

The Company has not received stockholder recommendations for a nominee for director for consideration at the Annual Meeting. To be considered at the Annual Meeting, our Bylaws require that a stockholder's notice with respect to director nominations be submitted to the Company no earlier than January 17, 2013 and no later than February 16, 2013.

Stockholder recommendations of individuals for consideration as a nominee for director at future annual meetings should be submitted in writing to the attention of the Corporate Secretary, 1111 Bagby, Suite 1600, Houston, Texas 77002 not later than the 90th day nor earlier than the 120th day before the anniversary date of the immediately preceding annual meeting. To be in proper written form, a stockholder's notice with respect to director nominations must set forth:

1. As to each nominee, the name, age, business address and residence address of such nominee and his or her principal occupation or employment;
2. As to the stockholder giving notice, (a) certain identifying information with respect to such stockholder and any other person on whose behalf the nomination is made (such stockholder or other person, a "Nominating Person") and (b) a description of all arrangements or understandings between such Nominating Person, any proposed nominee and any other person (including their names) pursuant to which the nomination(s) are to be made by the Nominating Person; and
3. As to each nominee or Nominating Person, (a) the class and number of shares of the Company's capital stock owned beneficially or of record by such person, (b) whether and the extent to which any hedging or other transaction has been entered into by or on behalf of, or any other agreement has been made, the effect or intent of which is to mitigate loss or manage the risk or benefit of share price changes for, or to increase or decrease the voting power of, such person with respect to any Company securities, and (c) any other information relating to such persons required to be disclosed in a proxy statement or other filings required to be made in connection with proxy solicitations for election of directors pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act").

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All stockholder notices must include a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such nomination before the meeting and a statement whether any Nominating Person intends to solicit proxies in connection with the nomination. Additionally, director nomination notices must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

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Table of Contents**SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT****Security Ownership of Certain Beneficial Owners**

The following table sets forth, as of March 10, 2013, information with respect to the only persons who were known to the Company to be beneficial owners of more than five percent of the outstanding shares of common stock of the Company.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
BlackRock, Inc. 40 East 52nd Street New York, New York 10022	4,812,030 (1)	9.16%
Prudential Financial Inc. 751 Broad St. Newark, New Jersey 07102	3,989,814 (2)	7.6%
Jennison Associates LLC 466 Lexington Avenue New York, New York 10017	3,960,538 (3)	7.5%
The Vanguard Group 23-1945930 100 Vanguard Blvd. Malvern, Pennsylvania 19355	3,412,254 (4)	6.49%
Wellington Management Company, LLP 280 Congress Street Boston, Massachusetts 02210	3,339,984 (5)	6.36%
First Pacific Advisors, LLC 11400 West Olympic Blvd., Suite 1200 Los Angeles, California 90064	3,157,400 (6)	6%
Capital World Investors 333 South Hope Street Los Angeles, California 90071	3,005,000 (7)	5.7%

(1) Based solely on a Schedule 13G/A filed with the SEC by BlackRock, Inc. (BlackRock) on January 31, 2012. BlackRock, in its capacity as investment adviser, has sole voting power with respect to 4,812,030 shares of our common stock.

(2) Based solely on a Schedule 13G/A filed with the SEC by Prudential Financial Inc. (Prudential) on February 11, 2013. Prudential, in its capacity as investment adviser, has sole voting power with respect to 183,840 shares of our common stock, shared voting power with respect to 3,740,691 shares of our common stock, sole dispositive power with respect to 183,840 shares of our common stock, and shared

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- dispositive power with respect to 3,805,974 shares of our common stock.
- (3) Based solely on a Schedule 13G/A filed with the SEC by Jennison Associates LLC (Jennison) on February 13, 2013. Jennison, in its capacity as investment adviser, has sole voting power with respect to 3,897,287 shares of our common stock and shared dispositive power with respect to 3,960,538 shares of our common stock.
 - (4) Based solely on a Schedule 13G/A filed with the SEC by The Vanguard Group 23-1945930 (Vanguard) on February 11, 2013. Vanguard, in its capacity as investment adviser, has sole voting power with respect to 74,709 shares of our common stock, has sole dispositive power with respect to 3,340,345 shares of our common stock and shared dispositive power with respect to 71,909 shares of our common stock.
 - (5) Based solely on a Schedule 13G/A filed with the SEC by Wellington Management Company, LLP (Wellington) on February 14, 2013. Wellington, in its capacity as investment adviser, has shared voting power with respect to 2,400,017 shares of our common stock and shared dispositive power with respect to 3,339,984 shares of our common stock.
 - (6) Based solely on a Schedule 13G filed with the SEC on February 12, 2013 on behalf of First Pacific Advisors, LLC, a Delaware limited liability company (FPA), FPA Capital Fund, Inc., a Maryland

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corporation and a registered open-end investment company (FPA Capital), Robert L. Rodriguez, Managing Member of FPA, J. Richard Atwood, Managing Member of FPA, and Steven T. Romick, Managing Member of FPA. FPA, in its capacity as investment adviser to its various clients, has shared voting power with respect to 1,381,100 shares of our common stock and shared dispositive power with respect to 3,157,400 shares of our common stock. Messrs. Rodriguez and Atwood own 42,000 and 65,000 shares of our common stock, respectively. As controlling persons of FPA, Messrs. Rodriguez, Atwood and Romick may be deemed to beneficially own 3,157,400 shares of our common stock owned by FPA s clients. Messrs. Rodriguez, Atwood and Romick disclaim beneficial ownership of the securities owned by FPA s clients.

- (7) Based solely on a Schedule 13G/A filed with the SEC by Capital World Investors (Capital World) on February 13, 2013. Capital World, in its capacity as investment adviser, has sole voting power with respect to 3,005,000 shares of our common stock.

Security Ownership of Directors and Executive Officers

The following table sets forth, as of March 10, 2013, the shares of common stock beneficially owned by each director, each of our named executive officers, and all director nominees and executive officers as a group.

Name	Common Stock	
	Beneficially Owned (1) Number	Percent of Class
Directors		
James E. Craddock	167,252 (2)	*
Richard W. Beckler	38,734 (3)	*
Matthew D. Fitzgerald	22,914 (4)	*
Philip L. Frederickson	36,105 (5)	*
D. Henry Houston	43,115 (6)	*
Carin S. Knickel	6,457 (7)	*
Donald D. Patteson, Jr.	49,274 (8)	*
Named Executive Officers (excluding Mr. Craddock)		
John D. Clayton	219,669 (9)	*
John E. Hagale	77,992 (10)	*
Randy L. Limbacher	623,022 (11)	1%
Michael H. Hickey	86,676 (12)	*
All directors and executive officers as a group (14 persons)	1,575,850	3%

* Less than one percent.

- (1) Unless otherwise indicated, all shares are directly held with sole voting and investment power. No shares have been pledged as security.
 (2) Represents (i) 76,097 shares of common stock, and (ii) 38,491 restricted shares of common stock, with restrictions to lift on various dates through January 2016, provided that Mr. Craddock is continuously employed by the Company or an affiliate until such dates, (iii) 52,664 shares of common stock underlying fully vested options.
 (3) Represents (i) 23,646 shares of common stock, (ii) 2,588 restricted shares of common stock, with restrictions to lift in May 2013, provided (generally) that Mr. Beckler continues board service with the Company until such dates, and (iii) 12,500 shares of common stock underlying fully vested options.
 (4) Represents (i) 15,326 shares of common stock, (ii) 2,588 restricted shares of common stock, with restrictions to lift in May 2013, provided (generally) that Mr. Fitzgerald continues board service with the Company until such dates, and (iii) 5,000 shares of common stock underlying fully vested options.
 (5) Represents (i) 28,517 shares of common stock, (ii) 2,588 restricted shares of common stock, with restrictions to lift in May 2013, provided (generally) that Mr. Frederickson continues board service with the Company until such dates, and (iii) 5,000 shares of common stock underlying fully vested options.

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- (6) Represents (i) 15,527 shares of common stock, (ii) 2,588 restricted shares of common stock, with restrictions to lift in May 2013, provided (generally) that Mr. Houston continues board service with the Company until such dates, and (iii) 25,000 shares of common stock underlying fully vested options.
- (7) Represents (i) 3,706 shares of common stock and (ii) 2,751 restricted shares of common stock, with restrictions to lift in May 2013, provided (generally) that Ms. Knickel continues board service with the Company until such dates.
- (8) Represents (i) 21,686 shares of common stock, (ii) 2,588 restricted shares of common stock, with restrictions to lift in May 2013, provided (generally) that Mr. Pattenon continues board service with the Company until such dates, and (iii) 25,000 shares of common stock underlying fully vested options.
- (9) Represents (i) 121,366 shares of common stock, (ii) 45,639 restricted shares of common stock, with restrictions to lift on various dates through March 2016, provided that Mr. Clayton is continuously employed by the Company or an affiliate until such dates, and (iii) 52,664 shares of common stock underlying fully vested options.
- (10) Represents (i) 27,758 shares of common stock and (ii) 50,234 restricted shares of common stock, with restrictions to lift on various dates through March 2016, provided that Mr. Hagale is continuously employed by the Company or an affiliate until such dates.
- (11) Represents (i) 425,422 shares of common stock and (ii) 197,600 shares of common stock underlying fully vested options. Mr. Limbacher forfeited 58,980 restricted shares of common stock when his employment with the Company terminated on April 1, 2013.
- (12) Represents (i) 52,012 shares of common stock and (ii) 34,664 shares of common stock underlying fully vested options.

Executive Officers Who are Not Directors

Name	Age	Position
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

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

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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.

Table of Contents**COMPENSATION DISCUSSION AND ANALYSIS****Executive Summary**

Rosetta compensates its executive management using a mix of base salary, annual performance bonus and equity grants, with the objectives of attracting and retaining key executive officers critical to long-term success, compensating those executive officers fairly and competitively for their responsibilities and accomplishments, aligning management's incentives with the long-term interests of Rosetta's stockholders, and planning for an orderly succession plan for executive positions. We believe that base salary levels should generally be set at the middle of Rosetta's competitive marketplace for comparable positions, and that our variable compensation programs (i.e., the annual performance bonus program and long-term incentives) should result in total compensation that is directly related to Company performance.

Our annual performance bonus program is designed to pay out based on Company performance in five areas, each of which is generally equally weighted to the others: production volumes, reserves added, finding costs, EBITDA, and lifting and operating expenses and general and administrative expenses per unit produced. The Board may elect to modify the bonus pool that is developed from these five key metrics after consideration of other factors such as environmental, health and safety performance; sustainability (adding new inventory, developing new core areas, success in acquisitions and exploration); relative performance to peers; and ability to pay.

For executive management, a significant portion of total compensation is delivered using a combination of restricted stock and performance share units (PSUs) to ensure a focus on behaviors that improve total stockholder return over the long-term. The allocation of total targeted direct compensation for our executive officers among the different components thereof is set forth in the following table, which is based on annualized base salaries as of January 1, 2013, 2013 target bonus levels and restricted stock and PSUs that were granted effective in January 2013 (assuming vesting at target levels):

Position	Base		
	Salary	Bonus	Equity
Chairman, CEO and President	16%	16%	68%
Executive/Senior Vice Presidents	20%	17%	63%
Vice Presidents	34%	18%	48%

As in previous years, the Compensation Committee, with the assistance of our compensation consultant, reviewed the compensation practices of peers within our industry and took actions in 2012 to align our compensation levels with those of our industry. The Compensation Committee also considered the results of the advisory say-on-pay vote at our most recent annual stockholders meeting, in which the compensation of our named executive officers (NEOs) was approved by a significant majority. Our key executive compensation decisions in 2012 included:

The Compensation Committee approved an increase in the base salary for all NEOs (other than the Chairman, CEO and President) effective January 1, 2013. This increase generally maintains the base salaries of our NEOs with the median base salaries for our industry.

Our 2012 annual bonus payouts averaged 150% of target, reflecting the achievement of corporate performance metrics previously set by the Compensation Committee as well as the Company's strong stockholder returns as compared to other companies in our industry. By tying bonus payouts to the achievement of certain company objectives, we seek to ensure that our NEOs strive to achieve near-term goals that are approved by the Compensation Committee.

Our long-term equity incentive awards to NEOs were a mix of time-vested restricted stock, which provide retention incentives for our NEOs, and PSUs, which encourage NEOs to focus on long-term goals that are approved by the Compensation Committee.

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The Compensation Committee chose to vest the PSUs for the 2010-2012 performance period at 175% because of the Company's strong performance on several predetermined metrics and the Company's top-decile total stockholder return as compared with other companies in our industry.

The Compensation Process

The Role of the Compensation Committee of the Board of Directors. The Compensation Committee of the Company's Board of Directors is required to be composed of at least two independent directors, and three independent directors currently serve on the Compensation Committee. As part of its stated purpose in its charter (which can be found in full on our website in the "Corporate Governance" section at www.rosettaresources.com), the Compensation Committee is to assist the Board in discharging the Board's responsibilities regarding the compensation of the Company's Chief Executive Officer, the other executive officers and the Company's non-management directors. In regard to executive compensation, the Compensation Committee has the overall responsibility to:

Obtain information on market trends in executive compensation and review the competitiveness of the Company's executive compensation programs to encourage the attraction and retention of executive officers, the motivation of executive officers to achieve the Company's business objectives, and the alignment of the interests of executive officers with the long-term interests of the Company's stockholders; and

Review and approve the goals and objectives relevant to CEO and other executive officer compensation; evaluate CEO and executive officer performance in light of those goals and objectives, and, with input from other non-management directors on the Board as the Compensation Committee deems appropriate, determine and approve all compensation of the CEO and executive officers based on such evaluation.

Both the Chairman, CEO and President and the Vice President, Human Resources and Administration may advise the Compensation Committee in the discharge of these responsibilities by suggesting programs, practices, and specific actions affecting executive officers. However, the Chairman, CEO and President cannot advise the Compensation Committee with respect to his own compensation, and the Vice President, Human Resources and Administration cannot advise the Compensation Committee with respect to his own or the Chairman, CEO and President's compensation. Other executive officers do not play a part in the process of setting executive compensation.

In 2012, the Compensation Committee met five times, met in executive session during three of those meetings, and did not act by unanimous written consent at any time during the year.

Review of Compensation Philosophy and Determination of Targeted Overall Compensation. To assist the Company in developing its compensation philosophy and in establishing targeted total direct compensation (i.e., the aggregate level of compensation that we will pay to executives if performance goals are deemed to have been fully met), the Compensation Committee selects and engages an independent consultant to perform an annual study of the compensation of executive management at the Company and at comparable companies (the "Peer Group"). Since 2010, the Compensation Committee has utilized the services of Pearl Meyer & Partners ("Pearl Meyer") as its independent consultant for compensation for executives and non-management directors. After reviewing companies primarily focused on U.S. domestic onshore exploration and production, Pearl Meyer recommended to the Compensation Committee that 15 companies be included in the 2012 Peer Group based on factors that included revenues, geographic focus, similarity of business models, and skill requirements for executive positions. The selected Peer Group for 2012 was:

Berry Petroleum Co.

Bill Barrett Corp.

Cabot Oil & Gas Corp.

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Carrizo Oil & Gas, Inc.

Concho Resources Inc.

EXCO Resources Inc.

Goodrich Petroleum Corp.

Laredo Petroleum Holdings

Oasis Petroleum

Penn Virginia Corporation

PDC Energy

Quicksilver Resources, Inc.

SM Energy Co.

Swift Energy Company

Ultra Petroleum

The Compensation Committee regularly reviews and refines the Peer Group as appropriate, with input from its executive compensation consultant. From 2011 to 2012, the Compensation Committee removed Brigham Exploration Co. and Venoco, Inc. because they are no longer publicly traded; removed Comstock Resources, Inc., GMX Resources, Inc. and Petroquest Energy, Inc. because their size or business model no longer made them appropriately comparable; and added Laredo Petroleum Holdings, Oasis Petroleum and Ultra Petroleum because we felt that they were better matches to our size and business model than the companies that were removed.

Compensation studies that are limited to a review of Peer Group proxy statements will cover in detail only those individuals for whom compensation information is disclosed publicly, which generally include only the five most highly compensated officers at each company. As a result, Pearl Meyer used additional data from other broad compensation surveys to more fully develop targeted overall compensation levels for all of the executive officers. The Compensation Committee does not review the identities of the individual companies or the individuals that are included in these general compensation surveys.

Pearl Meyer was engaged independently by the Compensation Committee. The Compensation Committee retains a compensation consultant on an annual basis. At the time the consultancy was considered during 2012, the Compensation Committee reviewed the independence of Pearl Meyer. The Compensation Committee determined that Pearl Meyer was qualified to act as an independent compensation consultant to the committee and that such consultation would not create a conflict of interest. In making this determination, the Compensation Committee noted that during fiscal 2012:

Pearl Meyer's services were limited to executive compensation consulting. Specifically, Pearl Meyer does not provide, directly or indirectly through affiliates, any non-executive compensation services, including pension consulting or human resource outsourcing;

Fees we paid to Pearl Meyer were less than 1% of Pearl Meyer's total revenue;

Pearl Meyer maintains a conflicts policy, which was provided to the Compensation Committee with specific policies and procedures designed to ensure independence;

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None of the Pearl Meyer consultants working on the Company matter had any business or personal relationship with Compensation Committee members;

None of the Pearl Meyer consultants working on Company matters (or any consultants at Pearl Meyer) had any business or personal relationship with any executive officer of the Company; and

None of the Pearl Meyer consultants working on Company matters directly own Company stock.

The Compensation Committee continues to monitor the independence of its compensation consultant on an annual basis. Whether Pearl Meyer continues to provide consulting services in the area of executive compensation will be a decision reached independently by the Compensation Committee.

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Stockholder Say-on-Pay Votes

The Company provides its stockholders with the opportunity to cast an annual advisory vote on executive compensation (a Say-on-Pay proposal). At the Company's annual meeting of stockholders held in May 2012, over 96% of the votes cast on the say-on-pay proposal were voted in favor of the proposal. The Compensation Committee believes that this affirms stockholders' support of the Company's approach to executive compensation and did not materially change its approach as it made decisions for 2013. The Compensation Committee will continue to consider the outcome of the Company's say-on-pay votes when making future compensation decisions for executive officers.

Elements of Executive Compensation

After receiving the results of the Pearl Meyer study and reviewing the Company's compensation philosophy against the actual practices of the Peer Group, the Compensation Committee determined that the elements of targeted total direct compensation for executive management should continue to include (1) base salary levels that are generally near the median of the Peer Group, (2) an annual bonus plan with payouts (if any) based on achievement of objectives approved by the Board, and (3) equity or equity-based awards that vest or are considered for vesting over a longer term.

Base Salaries. Rosetta seeks to provide its executive officers with assured cash compensation in the form of a base salary that is generally near the median for similar positions as determined through comparison to Peer Group proxies and independent compensation surveys as described above. The base salaries paid to top executive officers during 2012 are shown in the Summary Compensation Table under the Salary column. Effective January 1, 2013, the Compensation Committee approved increases to base salaries in order to maintain base salaries at approximately median levels, and the current base salaries are set forth in the table below:

Named Executive Officers	Position	Salaries as of January 1, 2013	
Randy L. Limbacher (1)	Chairman, CEO and President	\$	650,000
John E. Hagale	Executive Vice President and Chief Financial Officer	\$	340,000
John D. Clayton	Senior Vice President, Asset Development	\$	340,000
James E. Craddock	Senior Vice President, Drilling and Production Operations	\$	340,000
Michael H. Hickey (2)	Vice President and General Counsel	\$	N/A

(1) Mr. Limbacher has resigned from the Company effective April 1, 2013.

(2) Mr. Hickey's employment with the Company ended December 31, 2012.

Incentive Bonus. Incentive bonuses, considered for payment annually as cash compensation, ensure that the executive officers focus on the achievement of near-term goals that are approved by the Board. Bonuses may be earned if the Company achieves its objectives in key performance metrics as discussed below. Bonuses actually paid in 2013 as a result of 2012 performance are shown in the Summary Compensation Table under the Non-Equity Incentive Plan Compensation column.

Bonus targets as a percentage of base salary are generally set near the median for similar positions within the Peer Group. Bonus targets as a percentage of base salary for 2012 were 100% for the Chairman, CEO and President, 80% for the executive vice president and senior vice presidents, and from 50% to 65% for the vice presidents. Bonus targets as a percentage of base salary for 2013 were increased by 5% for each of the executive officers other than the Chairman, CEO and President.

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Although the Company reserves the right to add or delete corporate performance metrics for the bonus plan in the future, the metrics for 2012 are shown below. For 2012, each metric carried an equal weighting to the others.

Production Volumes the average daily production. The 2012 target was 40 MBOE per day, and the Company achieved production of 37.2 MBOE per day.

Reserves Added the reserves of oil or its equivalent added in the year through finding and development activities or through acquisition. The 2012 target was 58 MMBOE, and the Company added 63.9 MMBOE including revisions.

Finding Costs annual capital expenditures divided by annual reserves added. The 2012 target was \$11.03 per BOE, and the Company's actual finding costs were \$10.21 per BOE including revisions.

EBITDA The 2012 target was \$565 million, and actual EBITDA was \$454 million.

Expenses Per Unit the sum of annual lifting & operating expenses plus general and administrative expenses, divided by total annual production. The 2012 target was \$4.50 per BOE. The actual expense per BOE was \$6.00.

The bonus payout for any executive officer is dependent on achievement of corporate objectives as described above. The Compensation Committee may exercise positive or negative discretion beyond the stated objectives when it considers that discretion to be warranted either for the pool as a whole or the award for any individual, but the payout for any executive officer will not exceed 200% of that officer's target. Without limiting the Compensation Committee's ability to exercise positive or negative discretion for any sound business reason, the Compensation Committee has determined that several specific factors could be considered in its decision as to whether or not to modify the payouts that are calculated as a result of the five key performance metrics. These specific factors include environmental, health & safety performance; performance in sustainability (adding new inventory, acquisitions, and exploration success); relative performance against the Peer Group; and ability to pay. The Company believes that it is reasonable to expect performance warranting a full payout of the pool.

The Compensation Committee approved bonus payouts for 2012 performance for the executives at an average of 150% of target. The Compensation Committee felt that this level of payout was appropriate given (1) performance in the top decile of trailing 3-year total stockholder returns of domestic independent exploration & production companies, (2) performance in the top quartile of 1-year total stockholder returns of the same group of companies, and (3) top-quartile performance as compared to the same group of companies in all five metrics (using year-on-year growth in production, reserves, and EBITDA). The 2012 bonuses that were paid in March 2013 are reflected in the Summary Compensation Table under Non-Equity Incentive Plan Compensation.

Equity Grants. Delivering a substantial portion of each executive's compensation in the form of equity grants that vest over a longer term seeks to ensure that our executive officers focus on long-term value creation to align the executive's interests with those of our stockholders. The executive compensation study performed by Pearl Meyer in 2012 reflected the value of equity grants as a percentage of base salary for similar positions at the Company's competitors, and the Compensation Committee and the Board approved equity grants such that targeted total compensation (base salary, target incentive bonus, and equity) remained in line with similar executive positions within our Peer Group. Those grants were subsequently made in January 2013. All equity grants have been made pursuant to the Amended and Restated Rosetta Resources Inc. 2005 Long-Term Incentive Plan (the 2005 Plan).

The Compensation Committee determined that this equity value would be granted in a mix of restricted stock and PSUs in January 2013. The Compensation Committee believes that granting time-vested restricted stock will encourage the executive officers to adopt a view towards long-term value while providing a retention

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incentive even in the event of a decline in the stock price, and that granting PSUs that are considered for vesting if certain performance goals are met will ensure a focus on long-term total stockholder return. All restricted stock granted in 2013 is time-vested, with 25% vesting one year from the date of grant, an additional 25% after two years, and the remaining 50% after three years if the recipient remains employed by the Company as of those dates. The 2013 PSUs will be considered for cliff vesting by the Compensation Committee after the end of a three-year performance period based on performance against four metrics that have demonstrated strong correlation to long-term total stockholder return: (1) production per share growth, (2) reserves per share growth, (3) risked probable/possible inventory as a multiple of proved reserves, and (4) control of both cash costs and proved developed finding & development costs. Specific numerical goals have been set for each of these metrics, but we do not plan to publish this sensitive proprietary information until the end of the applicable performance period, as we believe that such disclosure places us at a competitive disadvantage. After considering performance against these metrics at the end of the three-year period, and considering other factors that it deems appropriate (such as total stockholder return), the Compensation Committee, in its sole discretion, may choose to vest from 0% - 200% of the PSUs.

The three-year vesting period for the January 2010 grants ended on December 31, 2012, and the Compensation Committee chose to vest those grants at 175%. In making this decision, the Compensation Committee took into account several factors. First, the Company had very strong performance in the growth of proved reserves and, as a result, outperformed the reserves-per-share metric by over 52%. Second, although the Company narrowly missed achieving its metric associated with the inventory / proved reserves multiple, it did achieve substantial growth in the Company's inventory during the plan period, beating our absolute inventory goal by over 47%. Third, the Compensation Committee took into consideration the fact that the Company's total stockholder return of 128% during the three-year trailing measurement period is in the top decile of a broad group of exploration & production companies and also outperformed the S&P 400 Oil & Gas E&P Index return. The actual performance against the 2010 plan metrics is shown in the table below:

Metric	Goal	Actual Performance
Reserves per Share (Mcfe)	15.0	22.9
Inventory/Proved Reserves Multiple	2.0	1.8
Percentage Change in Cash Flow Multiple	(250 MMBOE Inventory) Higher Percentage Change than the S&P 400 Oil & Gas E&P Index	(369 MMBOE Inventory) -7.4% vs. -3.1% for Index

No equity grants have been timed to coincide with or to precede the release of material information, and because the Compensation Committee must approve all grants for executive officers, we believe adequate controls exist to prevent such timed grants. Although we have not granted stock options to executive officers since 2009, grant prices for non-qualified stock options were all set at the fair market value (average of the high and low trades) on the date of grant, options may not be repriced under the terms of the 2005 Plan, and we will not buy out any options.

In establishing award levels, the Compensation Committee generally does not consider the equity ownership levels of the recipients or prior awards that are fully vested. The Company has implemented requirements that each executive officer hold a specific minimum level of stock, and these requirements, which were modified in December 2011, are set forth in the Officers Stock Ownership Guidelines, available in the Governance section of our website at www.rosettaresources.com. The requirements are as follows: Chairman, CEO and President – six times annual base salary, Executive Vice President and Senior Vice Presidents – three times annual base salary, and Vice Presidents – one times annual base salary. Stock that counts towards satisfaction of this requirement includes stock owned, whether directly or in street name; stock held beneficially; unvested restricted stock; and vested stock options. Executive officers have five years from the date of their appointment to their

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current position to meet the requirement. For purposes of this guideline, the value of the stock will be deemed to be the greater of the price at acquisition or at current market value. All of Rosetta's executive officers are in compliance with the requirements.

Actions Taken Affecting Each Element. Utilizing annualized base salaries as of January 1, 2013, full-target bonuses for 2013, and restricted stock and PSUs that were granted effective in January 2013 (assuming full vesting at fair market value of Rosetta common stock on the date of grant), the Compensation Committee has allocated the compensation components for executive officers as follows:

Position	Base Salary	Bonus	Equity
Chairman, CEO and President	16%	16%	68%
Executive/Senior Vice Presidents	20%	17%	63%
Vice Presidents	34%	18%	48%

Employee Benefits and Perquisites. In addition to the main elements of compensation previously discussed in this section, the executive officers are eligible for the same welfare and defined benefits as are available to all full-time employees, which include medical and dental insurance, short and long-term disability insurance, life and accidental death insurance each with a face value of \$50,000, and a 401(k) plan which currently provides a 150% match on the first 4% of eligible employee contributions and a dollar-for-dollar match on the next 2% of eligible employee contributions, subject to applicable IRS limits. The Company has no other pension plan or deferred compensation arrangement for the executive officers at this time. Like other employees, each executive may park in Rosetta's building or other available parking space at no cost, although the executive officers have reserved spaces. In addition to these all-employee benefits, executive officers may utilize two other benefits. First, the Company may pay monthly luncheon club membership dues (but not personal usage expenses) for the Chairman, CEO and President and for the Executive Vice Presidents. This allows these executives to make business contacts and to have a place to entertain corporate clients. Second, to ensure that the executive leadership is given every opportunity to identify and correct medical issues that may affect their work, the Company provides for an annual physical examination for executive officers at the Company's expense.

The general benefits offered to all employees, including the executive officers, are reviewed and may be adjusted each year.

Employment Agreements and Other Executive Severance and Change-in-Control Arrangements. The Company has entered into a written employment agreement with the executive officers who were employed as executive officers prior to January 2008, including Messrs. Limbacher and Hickey. These employment agreements describe how the employment relationship may be extended or terminated and what benefits are to be paid in the event of termination of employment, and outline the executive's post-employment obligations. Mr. Hickey's employment agreement ended when he retired from the Company on December 31, 2012. In respect of his service to the Company, the Compensation Committee waived the service requirements for his unvested restricted stock, and he will receive stock or be paid at the time of vesting for a prorated portion of his PSU grants based on performance results as determined by the Compensation Committee at the end of the respective performance periods. Mr. Limbacher's employment agreement ended when his resignation became effective on April 1, 2013. Mr. Limbacher forfeited all unvested restricted stock and PSU grants that had not vested prior to that date.

The Board determined in 2008 that it would end the practice of entering into written employment agreements with executive officers and instead adopted the Rosetta Resources Inc. Executive Severance Plan (the "Severance Plan") and the Rosetta Resources Inc. Executive Change-in-Control Plan (the "2008 Change-in-Control Plan"). The Severance Plan covers executive officers hired since 2008 who are not covered by an individual written employment agreement (Messrs. Hagale, Clayton and Craddock), and describes how the employment relationship may be terminated and what benefits are to be paid in the event of termination of employment. The 2008 Change-in-Control Plan covers executive officers hired in 2008 who are not covered by an individual written employment agreement (Messrs. Clayton and Craddock), and describes how the

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employment relationship may be terminated following a change in control (as defined in the 2008 Change-in-Control Plan) and what benefits are to be paid in the event of termination of employment following a change in control.

In 2009, the Board adopted the Rosetta Resources Inc. 2009 Change-In-Control Plan for Executive Officers (the 2009 Change-in-Control Plan), which covers executive officers hired in 2009 and beyond who are not covered by an individual written employment agreement. The principal difference between the 2009 Change-in-Control Plan (which currently covers Mr. Hagale and one other executive officer hired in 2012) and the 2008 Change-in-Control Plan described above (which covers Messrs. Clayton and Craddock) is that the 2009 Change-In-Control Plan does not provide for any excise tax gross-up in the event of a termination of employment following a change in control.

Additional information regarding the benefits to be paid in the event of termination is provided in the Severance Benefits and Change-in-Control Benefits sections below.

Tax Considerations

Deductibility Cap on Executive Compensation. Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code), places a limit of \$1 million on the amount of compensation that may be deducted by the Company in any year with respect to each of the executive officers, with the exception of the Chief Financial Officer. However, performance-based compensation, as defined in Section 162(m) of the Code, is fully deductible if the programs are approved by stockholders and meet other requirements.

To maintain flexibility in compensating the executive officers in a manner designed to promote varying corporate goals, the Compensation Committee has not adopted a policy that all compensation must be deductible. We may make payments that are not fully deductible if we believe that such payments are necessary to achieve corporate objectives and to protect stockholder interests. In 2012, total compensation paid to each of the named executive officers, other than for Mr. Hagale, exceeded the deductibility limit under Code Section 162(m), and the amount in excess of the limitation is therefore nondeductible.

Gross-Ups. Under the 2008 Change-in-Control Plan (for Messrs. Clayton and Craddock), if benefits to which the executive officers become entitled are considered excess parachute payments under Section 280G of the Code, then each affected executive officer would be entitled to an additional gross-up payment from the Company. This payment would be in an amount such that, after payment by the executive officer of all taxes including any excise tax imposed upon the gross-up payment, the executive officer would retain an amount equal to the excise tax imposed upon the payment. (Messrs. Limbacher and Hickey were previously entitled to gross-up payments under their employment agreements, but those agreements have ended.)

Since 2008, gross-up provisions as described above have been subjected to an increasing level of criticism from some external reviewers. The Compensation Committee acknowledged this criticism and implemented a new plan providing for change-in-control benefits to executive officers hired in 2009. The 2009 Change-In-Control Plan for Executive Officers does not include excise-tax gross-up protections. While changing its position for executive officers hired since 2009 the Compensation Committee does not believe that it is in the best interests of Rosetta's stockholders at this time to incur either the expense or the loss of goodwill that would result from voiding the commitments that were made and in good faith accepted by executive officers in this regard from 2005 to 2008.

Severance Benefits

To ensure the continued focus of our executives on the business, and to minimize uncertainty and distraction that may result from an at-will employment relationship, the Compensation Committee has determined that it is important to provide termination benefits for executive officers. These termination benefits are stated in each

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executive officer's employment agreement (as applicable) or in the Severance Plan and reflect the fact that it may be difficult for executive officers to find comparable employment within a short period of time.

If the Company should choose not to renew an employment agreement at its expiration, if the Company terminates the employment of the executive officer for reasons other than cause, or if the executive officer terminates employment for good reason, then the executive officer would be paid a multiple of base salary and target bonus; would become immediately vested in any unvested grants of restricted stock; and at the discretion of the Compensation Committee, could receive stock or be paid at the time of vesting for a prorated portion of his PSU grants.

As of December 31, 2012, in these circumstances, the Chairman, CEO and President would be paid three times his or her then-current base salary and target bonus, the executive vice president and senior vice presidents would be each paid two times his or her then-current base salary and target bonus, and each of the other executive officers would be paid his or her then-current base salary and target bonus.

In general, the definition of "cause" in each employment agreement and in the Severance Plan, is (i) a breach of duty by the executive in the course of such executive's employment involving fraud, acts of dishonesty (other than inadvertent acts or omissions), disloyalty to Rosetta or its affiliates, or moral turpitude constituting criminal felony; (ii) conduct by the executive that is materially detrimental to Rosetta, monetarily or otherwise, or reflects unfavorably on Rosetta or the executive to such an extent that Rosetta's best interests reasonably require the termination of the executive's employment; (iii) acts or omissions of the executive materially in violation of executive's obligations under the individual employment agreement or at law; (iv) the executive's failure to comply with or enforce Rosetta's policies concerning equal employment opportunity, including engaging in sexually or otherwise harassing conduct; (v) the executive's repeated insubordination; (vi) the executive's failure to comply with or enforce, in any material respect, all other personnel policies of Rosetta or its affiliates; (vii) the executive's failure to devote his or her full working time and best efforts to the performance of his or her responsibilities to Rosetta or its affiliates; (viii) the executive's conviction of, or entry of a plea agreement or consent decree or similar arrangement with respect to a felony or any violation of federal or state securities laws; or (ix) the executive's failure to cooperate with any investigation or inquiry authorized by the Board or conducted by a governmental authority related to the business or the executive's conduct.

In general, the definition of "good reason" in each employment agreement is (i) any demotion of executive as evidenced by a material diminution in the executive's responsibilities or duties; (ii) a material diminution in the executive's base compensation; (iii) any permanent relocation of the executive's place of business to a location 50 miles or more from the then-current location, provided such relocation is a material change in geographic location at which the executive must provide services for purposes of Section 409A of the Code; or (iv) any other action or inaction by Rosetta that constitutes a material breach by Rosetta of its obligations under the agreement. In general, the definition of "good reason" in the Severance Plan is (i) any reduction of the multiple of base salary and target bonus payable to an executive in the event of a qualifying termination under the Severance Plan, (ii) a material diminution in the executive's base compensation; or (iii) any permanent relocation of the executive's place of business to a location 50 miles or more from the then-current location, provided such relocation is a material change in geographic location at which the executive must provide substantial services for purposes of Section 409A of the Code.

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Based upon a hypothetical termination as of December 31, 2012, the severance benefits for the named executive officers for the reasons stated above would have been as follows:

Name (1)	Separation Payment to Executive on 12/31/12 (2)	Hypothetical Value to Executive of Accelerated Vesting of Equity Awards as of 12/31/12 (3)	Total Cost of Hypothetical Separation Event as of 12/31/12
Randy L. Limbacher, Chairman, CEO and President (PEO)	\$ 3,750,000	\$ 3,309,557	\$ 7,059,557
John E. Hagale, Executive Vice President and Chief Financial Officer (PFO)	\$ 1,080,000	\$ 876,233	\$ 1,956,233
John D. Clayton, Senior Vice President, Asset Development (NEO)	\$ 1,080,000	\$ 1,085,587	\$ 2,165,587
James E. Craddock, Senior Vice President, Drilling and Production Operations (NEO)	\$ 1,080,000	\$ 1,085,587	\$ 2,165,587
Michael H. Hickey, Vice President and General Counsel (NEO)	\$ 429,000	\$ 702,135	\$ 1,131,135

- (1) For this and subsequent tables, PEO is an acronym for Principal Executive Officer, PFO for Principal Financial Officer and NEO for Named Executive Officer.
- (2) This column includes a multiple of base salary and bonus as described in the employment agreement (as applicable) or in the Severance Plan. Severance benefits pursuant to employment agreements for Messrs. Limbacher and Hickey would be paid out over time. Severance benefits payable to Messrs. Hagale, Clayton and Craddock under the Severance Plan would be paid in a lump sum upon termination. As indicated above, the employment agreements for Messrs. Limbacher and Hickey have terminated.
- (3) This column represents the value that would have been received by the executive officer as a result of a termination on December 31, 2012 using a fair market value (average of the high and low trades) of \$44.515 to determine the value of unvested shares of restricted stock on that date. The value of PSUs is not included in this table. The requirements for reporting the information in this table do not take into account expenses that have already been incurred by the Company to deliver the equity component of compensation to the executives. The incremental expense to the Company of accelerating the vesting of equity awards using the Company's unamortized costs of the grants as of December 31, 2012 would have been as follows: Mr. Limbacher, \$953,442; Mr. Hagale, \$636,361; Mr. Clayton, \$387,388; Mr. Craddock, \$387,388; and Mr. Hickey, \$234,143.

Change-in-Control Benefits

The Compensation Committee has determined that the interests of stockholders are best served if we provide change-in-control benefits to eliminate, or at least reduce, the reluctance of executive officers to pursue potential corporate transactions that may be in the best interests of stockholders, but that may have resulting adverse consequences to the executive officers' employment. These change-in-control benefits apply when (i) the affected executive officer's employment is terminated, or the executive officer resigns for good cause; and (ii) either of the preceding actions occurs within the two-year period following a corporate change. This double-trigger provision ensures that these benefits would be payable only in the dual events of a corporate change and an adverse effect on the executive officer's employment. Also, these benefits are not in addition to the severance benefits described above—the executive officer cannot simultaneously be eligible for both.

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For purposes of this section, a corporate change is defined as (i) the dissolution or liquidation of the Company; (ii) a reorganization, merger or consolidation of the Company with one or more corporations (other than a merger or consolidation effecting a reincorporation of the Company in another state or any other merger or consolidation in which the stockholders of the surviving corporation and their proportionate interests therein immediately after the merger or consolidation are substantially identical to the stockholders of the Company and their proportionate interests therein immediately prior to the merger or consolidation) (collectively, a corporate change merger); (iii) the sale of all or substantially all of the assets of the Company or an affiliate (as defined in the 2005 Plan); or (iv) the occurrence of a change in control. A change in control shall be deemed to have occurred if (a) individuals who were directors of the Company immediately prior to a control transaction cease within two years of such control transaction to constitute a majority of the Board of Directors of the Company (or of the Board of Directors of any successor to the Company or to a Company which has acquired all or substantially all its assets) other than by reason of an increase in the size of the membership of the applicable Board that is approved by at least a majority of the individuals who were directors of the Company immediately prior to such control transaction or (b) any entity, person or group acquires shares of the Company in a transaction or series of transactions that results in such entity, person or group directly or indirectly owning beneficially 50% or more of the outstanding shares of the Company's common stock. As used above, a control transaction means (A) any tender offer for or acquisition of capital stock of the Company pursuant to which any person, entity, or group directly or indirectly acquires beneficial ownership of 20% or more of the outstanding shares of common stock; (B) any corporate change merger of the Company; (C) any contested election of directors of the Company; or (D) any combination of the foregoing, any one of which results in a change in voting power sufficient to elect a majority of the Board of Directors of the Company.

If both events warranting the change-in-control payment occur, the affected executive will be paid a multiple of base salary and target bonus and will become immediately vested in any unvested equity awards, including outstanding PSUs at target. In such a circumstance, the Chairman, CEO and President would be paid three times his or her then-current base salary and target bonus, and each of the other executive officers would be paid two times his or her then-current base salary and target bonus. The cash components of any change-in-control benefits will be paid in a lump sum and the Company will also reimburse the cost of continuing health insurance for up to 18 months for the Chairman, CEO and President and for up to 12 months for the other executive officers. Because of the tax on so-called parachute payments imposed by Section 4999 of the Code, the Company has agreed to reimburse all officers employed during or prior to 2008 for any excise taxes imposed as a result of a payment of change-in-control benefits and to gross up those tax payments to keep the officer whole.

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The table below illustrates the change-in-control termination benefits for the named executive officers based upon a hypothetical termination from a change-in-control event as of December 31, 2012:

Name	Hypothetical Change-in-Control Separation Payment to Executive on 12/31/12	Hypothetical Value to Executive of Accelerated Vesting of Equity Awards as of 12/31/12 (1)	Hypothetical Cost of Payments of 280G Excise Tax and Tax Gross-Up	Hypothetical Cost of Medical Insurance Reimbursement	Total Cost of Hypothetical Change-in-Control Separation Event as of 12/31/12
Randy L. Limbacher, Chairman, CEO and President (PEO)	\$ 3,900,000	\$ 5,383,733	\$ 0	\$ 17,776	\$ 9,301,509
John E. Hagale, Executive Vice President and Chief Financial Officer (PFO)	\$ 1,080,000	\$ 1,628,225	\$ 0	\$ 0	\$ 2,708,225
John D. Clayton, Senior Vice President, Asset Development (NEO)	\$ 1,080,000	\$ 1,930,126	\$ 823,668	\$ 15,427	\$ 3,849,221
James E. Craddock, Senior Vice President, Drilling and Production Operations (NEO)	\$ 1,080,000	\$ 1,930,126	\$ 823,668	\$ 11,851	\$ 3,845,645
Michael H. Hickey, Vice President and General Counsel (NEO)	\$ 858,000	\$ 1,212,322	\$ 0	\$ 23,956	\$ 2,094,278

- (1) This column represents the value that would have been received by the executive officer as a result of a termination on December 31, 2012 following a change in control, and uses a fair market value of \$44.515 to determine the value of shares of unvested shares of restricted stock and of PSUs on that date. The requirements for reporting the information in this table do not take into account expenses that have already been incurred to deliver the equity component of compensation to the executives. The actual cost to the Company of accelerating the vesting of equity awards using the Company's unamortized costs of the grants as of December 31, 2012 would have been as follows: Mr. Limbacher, \$1,904,213; Mr. Hagale, \$992,851; Mr. Clayton, \$774,568; Mr. Craddock, \$774,568; and Mr. Hickey, \$468,005.

Table of Contents**EXECUTIVE COMPENSATION****SUMMARY COMPENSATION TABLE**

The following table sets forth the compensation earned by the PEO, PFO and other NEOs for services rendered to the Company and its subsidiaries for the fiscal years ended December 31, 2012, 2011 and 2010.

Name and Principal Position	Year	Salary		Stock	Option	Non-Equity	Change in Pension Value and Non-qualified Deferred Compensation	All Other	Total
		(1) (\$)	Bonus (\$)	(2) (\$)	Awards (\$)	Plan Compensation (\$)	Earnings (\$)	(3) (\$)	
Randy L. Limbacher, Chairman, CEO and President (PEO)(4)	2012	650,000	0	1,841,228	0	975,000	0	33,219	3,499,447
	2011	625,000	0	1,975,880	0	1,062,500	0	31,875	3,695,255
	2010	625,000	0	2,806,363	0	745,000	0	36,621	4,212,984
John E. Hagale, Executive Vice President and Chief Financial Officer (PFO)	2012	300,000	0	826,854	0	360,000	0	22,276	1,509,130
	2011	300,000	0	1,177,342	0	68,000	0	762	1,546,104
John D. Clayton, Senior Vice President, Asset Development (NEO)	2012	300,000	0	749,988	0	360,000	0	33,724	1,443,712
	2011	265,000	0	804,262	0	315,350	0	32,321	1,416,933
	2010	250,000	0	660,354	0	215,000	0	31,753	1,157,107
James E. Craddock, Senior Vice President, Drilling and Production Operations (NEO)	2012	300,000	0	749,988	0	360,000	0	30,491	1,440,479
	2011	265,000	0	804,262	0	315,350	0	33,916	1,418,528
	2010	250,000	0	660,354	0	215,000	0	29,101	1,154,455
Michael H. Hickey, Vice President and General Counsel (NEO)(4)	2012	260,000	0	452,888	0	253,500	0	41,476	1,007,764
	2011	260,000	0	486,008	0	287,300	0	39,530	1,072,838
	2010	250,000	0	484,265	0	200,000	0	38,170	972,435

- (1) Reflects annualized base salaries paid to named executive officers.
- (2) Represents the total amount of the grant date fair value for restricted shares and PSUs awarded in 2010, 2011 and 2012 in accordance with valuation methodology in FASB ASC Topic 718. See the "Grants of Plan-Based Awards" table herein for information on awards of restricted stock and PSUs made in fiscal year 2012. These amounts do not necessarily correspond to the actual value that will be recognized by the named executive officers. The amounts reported in this column assume settlement at target levels; however, PSUs may be vested at up to 200% at the discretion of the Compensation Committee. For additional information relating to our PSUs, please refer to the discussion above under the heading "Equity Grants."
- (3) For 2012, the aggregate amount of "All Other Compensation" includes expenses for welfare benefits (medical, dental, long-term disability, and basic life insurance), 401(k) match, employee parking, and miscellaneous items for each executive officer. For Mr. Limbacher, the aggregate amount includes reimbursement of monthly club dues. No single element of "All Other Compensation" exceeds the greater of \$25,000 or 10% of the total for that executive, and as such the elements are not individually quantified. No tax gross-ups are provided for any perquisites.
- (4) Mr. Limbacher's employment with the Company ended on April 1, 2013. Mr. Hickey's employment with the Company ended on December 31, 2012.

Table of Contents**GRANTS OF PLAN-BASED AWARDS**

The following table discloses the actual numbers of shares of restricted stock and PSUs granted during 2012 and the grant date fair value of these awards. It also captures potential future payouts under the Company's non-equity and equity incentive plans.

2012 GRANTS OF PLAN-BASED AWARDS TABLE

Name	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards (3)			All Other Stock Awards; Number of Stock or Units	All Other Securities Underlying Options	Exercise or Base Price of Option Awards (\$/share)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold	Target	Maximum	Threshold	Target	Maximum				
		(1)	(2)	(1)	(#)	(#)	(#)				
Randy L. Limbacher, Chairman, CEO and President (PEO) (6)	1/3/12 1/3/12	0	650,000	1,300,000	0	20,600	41,200				920,614 920,614
John E. Hagale, Executive Vice President and Chief Financial Officer (PFO)	1/3/12 1/3/12	0	240,000	480,000	0	9,251	18,502	9,251	0	0	413,427 413,427
John D. Clayton, Senior Vice President, Asset Development (NEO)	1/3/12 1/3/12	0	240,000	480,000	0	8,391	16,782	8,391	0	0	374,994 374,994
James E. Craddock, Senior Vice President, Drilling and Production Operations (NEO)	1/3/12 1/3/12	0	240,000	480,000	0	8,391	16,782	8,391	0	0	374,994 374,994
Michael H. Hickey, Vice President and General Counsel (NEO) (6)	1/3/12 1/3/12	0	169,000	338,000	0	5,067	10,134	5,067	0	0	226,444 226,444

- (1) The Non-Equity Incentive Plan has no threshold, but has a maximum payout of 200%.
- (2) Target awards for 2012 performance are calculated using base salaries as of December 31, 2012.
- (3) Represents PSUs. PSUs granted on January 3, 2012 will be considered by the Compensation Committee for vesting as of December 31, 2014, and the Compensation Committee may elect to vest from 0-200% of the PSUs granted.
- (4) Represents restricted stock. Restrictions will be lifted as to 25% of these shares on the first anniversary of the date of grant, 25% on the second anniversary of the date of grant, and the remaining 50% on the third anniversary of the date of grant, assuming that the named executive officer remains employed by Rosetta or an affiliate on those dates.
- (5) Represents the dollar amount of the grant date fair value for restricted stock and PSUs, recognized in accordance with FASB ASC Topic 718. The fair value of restricted stock awards and PSUs was calculated using \$44.69, which was the fair market value of our common stock (the average of the high and low trading prices) on January 3, 2012, the date of award for all named executive officers. For a discussion of valuation assumptions, see Note 12 to the Company's 2012 Consolidated Financial Statements included in the Company's annual report on Form 10-K for the year ended December 31, 2012. The value shown assumes vesting of the PSUs at target.
- (6) Mr. Limbacher's employment with the Company ended on April 1, 2013. Mr. Hickey's employment with the Company ended on December 31, 2012.

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2012 OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

The following table shows outstanding stock option awards classified as exercisable and unexercisable as of December 31, 2012 for the PEO, PFO and other NEOs. The table also shows unvested and unearned stock awards (both time-based and performance-contingent awards)

Name	Option Awards (1)					Stock Awards			Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested
	Number of Securities Underlying Unexercised Options- Exercisable (#)	Number of Securities Underlying Unexercised Options- Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date (2)	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)
Randy L. Limbacher, Chairman, CEO and President (PEO)	95,500	0	0	7.355	1/2/19	74,347	3,309,557	115,093	5,123,365
	102,100	0	0	18.61	11/1/17				
John E. Hagale, Executive Vice President and Chief Financial Officer						19,684	876,233	23,161	1,031,012
John D. Clayton, Senior Vice President, Asset Development (NEO)	34,664	0	0	7.355	1/2/19	24,387	1,085,587	35,090	1,562,031
	18,000	0	0	19.68	4/1/18				
James E. Craddock, Senior Vice President, Drilling and Production Operations (NEO)	34,664	0	0	7.355	1/2/19	24,387	1,085,587	35,090	1,562,031
	18,000	0	0	21.39	5/1/18				
Michael H. Hickey, Vice President and General Counsel (NEO)	34,664	0	0	7.355	12/31/13	15,773	702,135	17,770	791,032

- (1) No options have been transferred, repriced, or purchased by the Company.
- (2) Mr. Hickey has one year from his termination date of 12/31/12 to exercise unexercised options. Mr. Limbacher has one year from his termination date of 4/1/13 to exercise unexercised options.
- (3) Reflects shares of restricted stock that had not vested as of 12/31/12. For Mr. Limbacher, 5,150 shares vested on 1/3/13, and 40,749 shares vested on 1/4/13. Given Mr. Limbacher's resignation from the Company on April 1, 2013, the following shares will not vest as scheduled: 5,150 shares that would have vested on 1/3/14, 12,998 shares that would have vested on 1/4/14, and 10,300 shares that would have vested on 1/3/15. For Mr. Hagale, 2,312 shares vested on 1/3/13, 3,477 shares will vest on 11/1/13, 2,313 shares will vest on 1/3/14, 6,956 shares will vest on 11/1/14, and 4,626 shares will vest on 1/3/15. For Mr. Clayton, 2,097 shares vested on 1/3/13, 10,705 shares vested on 1/4/13, 2,098 shares will vest on 1/3/14, 5,291 shares will vest on 1/4/14, and 4,196 shares will vest on 1/3/15. For Mr. Craddock, 2,097 shares vested on 1/3/13, 10,705 shares vested on 1/4/13, 2,098 shares will vest on 1/3/14, 5,291 shares will vest on 1/4/14, and 4,196 shares will vest on 1/3/15. All of Mr. Hickey's shares vested on 1/21/13 in accordance with his separation agreement.
- (4) Market value of restricted stock and PSUs reflects a per share price of \$44.515, which was the fair market value on December 31, 2012. The value of the PSUs assumes vesting at target, although the Compensation Committee may vest from 0-200% at the end of a three-year period.
- (5) Reflects PSUs that have not yet vested, including grants from 2010 that had not been considered for vesting by the Compensation Committee as of December 31, 2012. For Mr. Limbacher, 68,498 PSUs vested on 12/31/12. Due to the termination of Mr. Limbacher's employment, 25,995 PSUs that would have vested on 12/31/13, and 20,600 PSUs that would have vested on 12/31/14 were forfeited. For Mr. Hagale, 6,268 PSUs vested on 12/31/12, 7,642 PSUs will vest on 12/31/13, and 9,251 PSUs will vest on 12/31/14. For Mr. Clayton, 16,118 PSUs vested on 12/31/12, 10,581 PSUs will vest on 12/31/13, and 8,391 PSUs will vest on 12/31/14. For Mr. Craddock, 16,118 PSUs vested on 12/31/12, 10,581 PSUs will vest on 12/31/13, and 8,391 PSUs will vest on 12/31/14. For Mr. Hickey, 11,820 PSUs vested on 12/31/12, 4,263 PSUs will vest on 12/31/13, and 1,687 PSUs will vest on 12/31/14. Mr. Hickey's vesting grants reflect reductions for 2011 and 2012 grants in accordance with his separation agreement.

Table of Contents**OPTION EXERCISES AND STOCK VESTED TABLE**

The following table sets forth certain information regarding options and stock awards exercised and vested, respectively, during 2012 for the PEO, PFO and other NEOs.

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise (1) (\$)	Number of Shares Acquired on Vesting (2) (#)	Value Realized on Vesting (3) (\$)
Randy L. Limbacher, Chairman, CEO and President (PEO)	0	0	75,872	3,355,162
John E. Hagale, Executive Vice President and Chief Financial Officer (PFO)	0	0	3,477	164,653
John D. Clayton, Senior Vice President, Asset Development (NEO)	0	0	26,746	1,817,126
James E. Craddock, Senior Vice President, Drilling and Production Operations (NEO)	0	0	26,746	1,817,126
Michael H. Hickey, Vice President and General Counsel (NEO)	18,500	396,051	25,190	1,721,098

- (1) Reflects gain on the exercise of options (difference between grant price and exercise price), before tax withholding.
- (2) Shares acquired from vesting of grants of restricted stock and PSUs in 2012, including any that may have been traded on that date to satisfy tax withholding requirements.
- (3) Reflects value of all shares acquired at vesting at fair market value on that date.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

For a discussion and identification of amounts payable to our PEO, PFO and other NEOs upon termination of employment (either following or not following a change in control), assuming a termination date of December 31, 2012, please see the discussion of severance and change-in-control benefits above under **Severance Benefits** and **Change-in-Control Benefits**.

COMPENSATION COMMITTEE REPORT

The Compensation Committee of the Company has reviewed and discussed the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K with management, and based on such review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in this Proxy Statement.

This report of the Compensation Committee of the Board of Directors shall not be deemed to be soliciting material or to be filed with the SEC or subject to the SEC's proxy rules, except for the required disclosure in this Proxy Statement, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates by reference into any filing made by the Company under the Securities Act of 1933 or the Exchange Act.

COMPENSATION COMMITTEE

Donald D. Patteson, Jr., Chairman

Philip L. Frederickson

Carin S. Knickel

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PROPOSAL 2

ADVISORY (NON-BINDING) VOTE APPROVING EXECUTIVE COMPENSATION

The Board of Directors of the Company is committed to excellence in governance. As part of that commitment, and as required by Section 14A(a)(1) of the Exchange Act, the Board of Directors is providing the Company's stockholders with an opportunity to provide an advisory vote related to executive compensation.

As part of its responsibilities, the Compensation Committee assists the Board in establishing the compensation of the Company's CEO and other executive officers. Additional information regarding the Compensation Committee and its role is described in the Compensation Discussion and Analysis section of this Proxy Statement and the related tables and narrative disclosure. Consistent with the Company's compensation philosophy, our executive compensation program has been designed to attract and retain key executive officers critical to long-term success and to compensate those individuals fairly and competitively for responsibility and accomplishment. Additionally, the compensation program is designed to align management's incentives with the long-term interests of the Company's stockholders.

To that end, the Company compensates its executive officers using a mix of base salary, annual performance bonus and equity grants, with equity grants representing a majority of the compensation for the named executive officers. Specifically, of the total compensation actually paid or granted to the named executive officers in 2012, approximately 52% was in equity, approximately 22% was in base salary, and approximately 26% was in bonus (paid in 2013 for 2012 performance). We firmly believe that these compensation programs have aligned the decisions of the executives with the interests of the stockholders, and point to our total stockholder return against our peers as evidence of this. For the three-year period ending December 31, 2012, Rosetta's total stockholder return was 128%, placing us in the top decile in the exploration and production industry.

The Compensation Committee continually reviews best practices in executive compensation and governance. In observance of such best practices, the Company:

no longer enters into employment agreements with executive officers;

does not provide perquisites to the CEO and other NEOs unless generally available to all employees (other than the payment of monthly lunch club membership dues for the CEO, and of annual physical examinations for executive officers);

with respect to executive officers hired after 2008, does not provide for any tax gross-ups for executive officers in the event of a change in control;

has established only change-in-control agreements that contain a double-trigger provision;

has an incentive plan that discourages undue risk and aligns executive rewards with short, medium, and long-term Company performance; and

requires executives to have a meaningful ownership interest in the Company through the Officers Stock Ownership Guidelines. For the reasons discussed above, we are asking stockholders to approve the following advisory resolution at the 2013 Annual Meeting:

RESOLVED, that the stockholders of Rosetta Resources Inc. (the Company) approve, on an advisory basis, the compensation of the Company's named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the other related compensation tables, notes and narrative in the Proxy Statement for the Company's 2013 Annual Meeting of Stockholders.

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This advisory resolution, commonly referred to as a say-on-pay resolution, is non-binding on the Board. Although non-binding, the Board and the Compensation Committee will review and consider the voting results when making future decisions regarding our executive compensation program.

The Board unanimously recommends that you vote FOR the approval of the advisory resolution on executive compensation.

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INFORMATION CONCERNING THE BOARD OF DIRECTORS

Compensation of Directors

Annually, the Compensation Committee engages an independent consultant to conduct a study of compensation for non-management directors to ensure that our directors are being paid fairly and equitably, and that their mix of cash and equity compensation is appropriate to ensure alignment of incentives with those of our stockholders. In August 2012, the Compensation Committee selected Pearl Meyer to conduct this study and to recommend any changes necessary to achieve these goals. The Pearl Meyer study in 2012 determined that our directors were at the median within our Peer Group (see Compensation Discussion and Analysis section of this Proxy Statement for a list of those peer companies). As such, the Compensation Committee recommended no changes to the compensation structure for non-management directors for implementation in 2013.

We pay each of the non-employee directors an annual cash retainer which is currently set at \$75,000. In addition, the lead independent director is currently paid an annual retainer of \$15,000, the Chairman of the Audit Committee is currently paid an annual retainer of \$15,000, the Chairman of the Compensation Committee is currently paid an annual retainer of \$10,000, and the Chairman of the Nominating and Corporate Governance Committee is currently paid an annual retainer of \$8,250. We reimburse all directors for reasonable expenses incurred while attending Board and committee meetings. Directors may take an annual physical examination at the Company's expense.

Any non-employee director may elect to receive a grant of shares of the Company's common stock in lieu of all or any portion of the annual retainer fees. The number of shares is determined by dividing the fee amount by the fair market value (the average of the high and low trading price) of the common stock on the day of the Annual Meeting.

Upon re-election to the Board at the 2012 Annual Meeting, each director received a grant of restricted stock, the number of shares of which were determined by dividing \$120,000 by the average of the fair market value of a share of Rosetta common stock for the 30 trading days immediately preceding the Annual Meeting, then rounded up to the next whole share. The shares granted upon re-election vest one year from date of grant.

Upon each initial election to the Board that does not occur at the Annual Meeting, each director receives a grant of restricted stock, the number of shares of which will be determined by dividing (a) \$120,000 by the average of the fair market value of a share of Rosetta common stock for the 30 trading days immediately preceding the grant date, (b) then multiplying that product by a fraction, the numerator of which will be the number of days from the grant date until the one-year anniversary of the previous Annual Meeting, and the denominator of which shall be 365, and (c) then rounding up to the next whole share. The shares granted upon initial election will vest on the same date as shares granted to directors who were re-elected at the previous Annual Meeting.

The Company has implemented requirements that each non-employee director hold a specific minimum level of stock, and these requirements are set forth in the Non-Employee Director Stock Ownership Guidelines, available in the Corporate Governance section of our website at www.rosettaresources.com. The guidelines require each non-employee director to own shares of equivalent value equal to at least four times the annual cash retainer received for service as a director. Stock that counts towards satisfaction of this requirement includes stock owned, whether directly or in street name; stock held beneficially; unvested restricted stock; and vested stock options. Directors have five years from the later of the date of their appointment to the Board or the effective date of the guidelines to meet the requirement. For purposes of this requirement, the value of the stock will be deemed to be the greater of the price at acquisition or at current market value. All of Rosetta's directors are in compliance with the requirement.

Mr. Craddock receives no separate compensation for service on the Board of Directors or for serving as its Chairman, nor will any other officers, if any, who serve as directors in the future, receive separate compensation. See Director Compensation Table for more information on director compensation paid for fiscal year 2012.

Table of Contents**2012 DIRECTOR COMPENSATION TABLE**

The following table discloses the cash, equity awards and other compensation earned, paid or awarded, as the case may be, to each of the Company's independent non-employee directors during the fiscal year ended December 31, 2012. For a description of the fees and other awards payable to the Company's directors, please refer to the section titled "Information Concerning the Board of Directors - Compensation of Directors" contained elsewhere in this Proxy Statement.

Director Name	Fees	Stock	Option	Non-equity	Change in	All Other	Total
	Earned or						
	Paid in		Awards	Plan	Value	Compensation	
	Cash			Compensation	and		
	(\$)	(\$)	(\$)	(\$)	Deferred	(\$)	(\$)
					Earnings		
Richard W. Beckler	83,250	106,276	0	0	0	0	189,526
Matthew D. Fitzgerald	90,000	106,276	0	0	0	0	196,276
Philip L. Frederickson	90,000	106,276	0	0	0	0	196,276
D. Henry Houston	75,000	106,276	0	0	0	0	181,276
Josiah O. Low III	0	181,261	0	0	0	0	181,276
Carin S. Knickel	0	166,670	0	0	0	0	166,670
Donald D. Patteson, Jr.	85,000	106,276	0	0	0	0	191,276

- (1) Represents the total amount of the grant date fair value for shares awarded in 2012, in accordance with FASB ASC Topic 718. Actual income realized by the director will depend on stock price at the time of vesting. Mr. Low and Ms. Knickel took their annual retainers for board service in stock.

Name	Aggregate	Aggregate	Grant Date
	Stock	Option	Fair Value
	Awards	Awards	of Stock
	Outstanding	Outstanding	and Option
	as of	as of	Awards Made
	December 31, 2012	December 31, 2012	During 2012
	(#)	(#)	(\$)
Richard W. Beckler	2,588	12,500	106,276
Matthew D. Fitzgerald	2,588	5,000	106,276
Philip L. Frederickson	2,588	5,000	106,276
D. Henry Houston	2,588	25,000	106,276
Josiah O. Low III (1)	0	0	181,261
Carin S. Knickel	2,751	0	166,670
Donald D. Patteson, Jr.	2,588	25,000	106,276

- (1) Mr. Low retired from Rosetta's Board of Directors in December 2012, and remaining restrictions on his stock were lifted at that time.

Compensation Committee Interlocks and Insider Participation

At December 31, 2012, the members of the Compensation Committee were Messrs. Patteson and Frederickson and Ms. Knickel. Mr. Patteson is the Chairman of the Compensation Committee. No member of the Compensation Committee has been an officer or employee of the Company at any time; and no such person had any relationship requiring disclosure under Item 404 of Regulation S-K.

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During 2012, no executive officer or employee of the Company served as (i) a member of the Compensation Committee (or other Board committee performing equivalent functions) of another entity, one of whose executive officers served on the Compensation Committee of our Board of Directors; (ii) a director of another entity, one of whose executive officers served on the Compensation Committee of our Board of Directors; or (iii) a member of the Compensation Committee (or other Board committee performing equivalent functions) of another entity, one of whose executive officers served as a director of our Company.

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Table of Contents**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

As of December 31, 2012, the following equity securities were authorized for issuance under the Company's existing compensation plans:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (1) (a) (#)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (excluding securities reflected in column (a)) (c) (#)
Equity Compensation Plans Approved by Security Holders	510,651	\$ 13.522	1,220,262
Equity Compensation Plans Not Approved by Security Holders			
Total	510,651	\$ 13.522	1,220,262

- (1) Includes all stock options granted as of December 31, 2012, less all that have been exercised or cancelled as of December 31, 2012. All outstanding options are fully vested.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Section 16(a) of the Exchange Act and the rules and regulations of the SEC promulgated thereunder require our directors, executive officers and persons who own more than 10% of our common stock to file reports of their ownership and changes in ownership of our common stock with the SEC. Directors, executive officers and greater than 10% stockholders are required by regulation to furnish the Company with copies of all Section 16(a) reports they file. Our employees generally prepare these reports for our officers and directors on the basis of information obtained from each director and officer. Based solely on a review of copies of the reports and written representations provided to the Company from the individuals required to file reports, we believe that all reports required by Section 16(a) of the Exchange Act to be filed by our directors, executive officers and person owning more than 10% of our common stock during the last fiscal year were filed on time, except a Form 4 was filed late for shares withheld for taxes on September 12, 2011 for Matthew D. Fitzgerald.

CERTAIN TRANSACTIONS

We have entered into employment agreements with four of our executive officers. See Compensation Discussion and Analysis for a detailed description of those agreements. Additionally, we have entered into indemnification agreements with the members of the Board and with our executive officers.

The Company has a related party transactions procedure for the review, approval or ratification of related party transactions, which are defined as all current or proposed transactions in excess of \$120,000 in which (i) the Company is a participant and (ii) any director, executive officer or immediate family member of any director or executive officer has a direct or indirect material interest. While this procedure is not formally stated, it is derived from our Governance Guidelines.

Pursuant to such procedures, all executive officers and directors are required to notify the General Counsel or the Corporate Secretary as soon as practicable of any proposed related party transaction. The General Counsel will determine whether a potential transaction or relationship constitutes a related party transaction that requires

compliance with the policy and/or disclosure as a related party transaction under applicable SEC rules. If the General Counsel determines that the transaction or relationship constitutes a related party transaction, the transaction is referred to the Nominating and Corporate Governance Committee. Any member of the Nominating and Corporate Governance Committee who has an interest in the transaction presented for

consideration will abstain from voting on the related party transaction.

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PROPOSAL 3

APPROVAL OF THE ROSETTA RESOURCES INC. 2013 LONG-TERM INCENTIVE PLAN

Overview

The information provided in this Proposal 3 is intended to assist our stockholders in deciding how to cast their votes on the Rosetta Resources Inc. 2013 Long-Term Incentive Plan (the "Incentive Plan"). The Board of Directors adopted the Incentive Plan on March 21, 2013 subject to stockholder approval at the Annual Meeting. Approval of the Incentive Plan requires the affirmative vote of a majority of the votes cast on the proposal at the Annual Meeting. The Board of Directors believes that the effective use of stock-based long-term incentive compensation has been integral to the Company's success in the past and is vital to its ability to achieve continued strong performance in the future. Our employees are our most valuable assets. The Board believes that grants of equity awards will help create long-term participation in the Company and, thereby, assist us in attracting, retaining, motivating and rewarding employees, directors and consultants. The use of long-term equity grants allows the Board to align the incentives of the Company's employees, directors and consultants with the interests of its stockholders, linking compensation to Company performance. Accordingly, the Board believes that approval of a new equity plan is in the best interests of the Company and the Board recommends that stockholders vote for approval of the Incentive Plan.

If the Incentive Plan is approved, it will replace the 2005 Plan and no further awards will be granted thereunder. Outstanding awards under the 2005 Plan will continue to be governed by the terms of the 2005 Plan until vested, exercised, expired or otherwise terminated or canceled. If the Incentive Plan is not approved by the stockholders, the 2005 Plan will continue in effect and we will continue to make grants under the 2005 Plan until all shares available thereunder have been issued. As of March 10, 2013 the 2005 Plan had 922,108 shares available for issuance and 742,475 shares of Common Stock subject to outstanding awards. The Incentive Plan authorizes the issuance of 3,600,000 shares, which represents an increase of 2,677,892 shares over the remaining number of shares available for issuance under the 2005 Plan as of March 10, 2013. In addition, shares of Common Stock covered by an Award under the 2005 Plan which are forfeited, cancelled, or expire after the effective date of the Incentive Plan shall be added to the shares of Common Stock authorized for issuance under the Incentive Plan. For additional information about the shares which may be added to the shares of Common Stock authorized for issuance under the Incentive Plan, see the discussion below under the subheading "Available Shares."

In addition, although we have not adopted a policy that all compensation paid to our executive officers must be tax-deductible and we expect that we may pay compensation to our executives that is not fully tax-deductible, the Incentive Plan is also intended to allow us to provide performance-based compensation that will be tax-deductible by us without regard to the limits of Section 162(m) of the Internal Revenue Code (the "Code"). Therefore, for purposes of Section 162(m) of the Code, we are asking our stockholders to approve the list of performance criteria that may be used for purposes of granting awards that are intended to qualify as performance-based compensation under the Code, in the event we choose to seek to structure compensation in a manner that will satisfy the performance-based compensation exception to Section 162(m). Should we choose to do so, stockholder approval of such criteria would preserve our ability to satisfy this exception and deduct compensation associated with future performance-based awards to certain executives. The Code limits the deductions a publicly-held company can claim for compensation in excess of \$1 million paid in a given year to its CEO and its three other most highly-compensated executive officers (other than its chief financial officer) (these officers are generally referred to as the "covered employees"). Performance-based compensation that meets certain requirements is not counted against the \$1 million deductibility cap. Stock options and stock appreciation rights generally qualify as performance-based compensation. Other awards that we may grant under the Incentive Plan may qualify as performance-based compensation if the payment, retention or vesting of the award is subject to the achievement during a performance period of performance goals selected by the Compensation Committee. The Compensation Committee retains the discretion to set the level of performance for a given performance measure under a performance-based award. For such awards to qualify as performance-based compensation, the stockholders must approve the material terms of the performance goals every five years.

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Benefits of the Incentive Plan

A large part of our success depends on the performance and commitment of our key personnel. Stock-based long-term incentives assist us in attracting, retaining, motivating and rewarding talented employees, directors and consultants. Providing equity grants creates long-term participation in the Company and aligns the interests of our employees, directors and other service providers with the interests of our stockholders. The use of equity awards as compensation also allows the company to conserve cash resources for other important purposes.

The Incentive Plan provides the Compensation Committee with the flexibility to effectively use the shares under the plan to provide incentives to our personnel. The Incentive Plan contains provisions we believe are consistent with best practices in equity compensation and which we believe further protect our stockholders' interests, which include:

Without stockholder approval, the Incentive Plan prohibits any alteration or amendment that operates to increase the total number of shares of common stock that may be issued under the Incentive Plan (other than adjustments in connection with certain corporate reorganizations and other events) or to change the designation or class of persons eligible to receive awards under the Incentive Plan. Stockholders will have the opportunity to see how successful the Incentive Plan is before approving any additional shares.

The Incentive Plan requires a "double trigger" of both a change in control and a qualifying termination of employment in order to accelerate vesting.

Awards may not be repriced, replaced or regranted through cancellation or modification without stockholder approval if the effect would be to reduce the exercise price for the shares under the award.

Dividends and dividend equivalents may not be paid on awards subject to performance vesting conditions unless and until such conditions are met.

Background for the Determination of the Share Reserve Under the Incentive Plan

In its determination to recommend that the Board approve the Incentive Plan, the Compensation Committee reviewed an analysis prepared by Pearl Meyer, its independent compensation consultant that was engaged for this purpose because the proposed Incentive Plan will provide a substantial portion of compensation to the Company's executives. This analysis included certain burn rate, dilution and overhang metrics, peer group market practices and trends, and the costs of the Incentive Plan, including the estimated stockholder value transfer cost. Specifically, the Compensation Committee considered that:

In 2012, 2011 and 2010, we granted equity awards representing a total of approximately 337,387, 288,787, and 467,181 shares, respectively. This level of equity awards represents a three-year average burn rate of 0.7% of common shares outstanding. Based on the Pearl Meyer analysis, this three-year average burn rate was below the 25th percentile of the companies in our selected Peer Group for 2012. Our selected Peer Group for 2012 is described in more detail above under the heading "Compensation Discussion and Analysis - The Compensation Process."

If we do not increase the shares available for issuance under our equity plans, then based on historical usage rates of shares under our equity plans, we would expect to exhaust the share limit under our 2005 Plan by 2016, at which time we would lose an important compensation tool aligned with stockholder interests to attract, motivate and retain highly qualified talent.

Based on historical usage, we estimate that the shares reserved for issuance under the Incentive Plan would be sufficient for approximately six or seven years of awards, assuming we continue to grant awards consistent with our historical usage and current practices, as reflected in our three-year average burn rate, and noting that future circumstances may require us to change our current

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equity grant practices. Based on the foregoing, we expect that we would require an additional increase to the share reserve under the Incentive Plan in 2019 or 2020 (primarily dependent on the future price of Rosetta's

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shares, award levels/amounts and hiring activity during the next few years), noting again that the share reserve under the Incentive Plan could last for a longer or shorter period of time, depending on our future equity grant practices, which we cannot predict with any degree of certainty at this time.

The total aggregate equity value of the additional authorized shares being requested under the Incentive Plan (above the shares remaining available for issuance under the 2005 Plan), based on the closing price of \$49.70 for one share of our Common Stock on March 8, 2013 is \$85,865,311 (recognizing that each full-value share under the Incentive Plan will actually reduce the available pool by 1.55 shares). Based upon its analysis, Pearl Meyer concluded that the potential stockholder value transfer applicable to the new Incentive Plan was roughly 6% of our market capitalization. This number falls within an allowable range under the policies of stockholder proxy advisory services.

In 2012, 2011 and 2010, our end of year overhang rate, calculated by dividing (i) the number of shares subject to equity awards outstanding at the end of the fiscal year plus the number of shares remaining available for issuance under our 2005 Plan by (ii) the number of Rosetta shares outstanding at the end of the fiscal year, was 4.44%, 6.22%, and 7.19%, respectively. If approved, the issuance of the additional shares to be reserved under the Incentive Plan (net of the 922,108 shares remaining available under our current plan) would dilute the holdings of stockholders by an additional 5.04% on a fully diluted basis, based on the number of shares of our Common Stock outstanding as of March 10, 2013. If the Incentive Plan is approved, we expect our overhang at the end of 2013 will be approximately 8.9% (including the shares that will be reserved for issuance under the Incentive Plan). Based on the Pearl Meyer analysis, this overhang level is approximately at the 67th percentile of the companies in our selected Peer Group for 2012 and we expect our overhang level will decrease in subsequent years as we issue shares from the Incentive Plan.

In light of the factors described above, and the fact that the ability to continue to grant equity compensation is vital to our ability to continue to attract and retain employees in the competitive labor markets in which we compete, the Board has determined that the size of the share reserve under the Incentive Plan is reasonable and appropriate at this time. The Board will not create a subcommittee to evaluate the risks and benefits for issuing the additional authorized shares requested.

Summary of Terms of the Incentive Plan

The following description of the Incentive Plan is a summary, does not purport to be a complete description of the Incentive Plan and is qualified in its entirety by the full text of the Incentive Plan. A copy of the Incentive Plan is attached to this proxy statement as Exhibit A and is incorporated herein by reference.

Purposes. The Incentive Plan allows for the grant of stock options, stock awards, restricted stock, restricted stock units, stock appreciation rights, performance awards and other incentive awards to employees, non-employee directors and other service providers of Rosetta and its affiliates who are in a position to make a significant contribution to the success of Rosetta and its affiliates. The purposes of the Incentive Plan are to attract and retain service providers, further align employee and stockholder interests, and closely link compensation with Company performance. The Incentive Plan will provide an essential component of the Company's total compensation package, reflecting the importance that we place on aligning the interests of employees, directors and other service providers with those of our stockholders.

Administration. The Incentive Plan provides for administration by the Compensation Committee or another committee of our Board of Directors (the Committee). However, each member of the Committee must (1) meet independence requirements of the exchange on which our common stock is listed (if any), (2) qualify as a non-employee director within the meaning of Rule 16b-3 under the Exchange Act and (3) qualify as an outside director under Section 162(m) of the Code. With respect to awards granted to non-employee directors, the Committee is the Board of Directors. Among the powers granted to the Committee are (1) the authority to operate, interpret and administer the Incentive Plan, (2) determine eligibility for and the amount and nature of

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awards, (3) establish rules and regulations for the Incentive Plan's operation, (4) accelerate the exercise, vesting or payment of an award if the acceleration is in our best interest, (5) require participants to hold a stated number or percentage of shares acquired pursuant to an award for a stated period of time and (6) establish other terms and conditions of awards made under the Incentive Plan. The Committee has the right to delegate to one or more officers of the Company any right granted to the Committee under the Incentive Plan, except for grants to persons (i) subject to Section 16 of the Exchange Act or (ii) who are reasonably expected to be covered employees for purposes of Section 162(m).

Eligibility. Employees, non-employee directors and other service providers of Rosetta and our affiliates who, in the opinion of the Committee, are in a position to make a significant contribution to the success of Rosetta and our affiliates are eligible to participate in the Incentive Plan. The Committee determines the type and size of award and sets the terms, conditions, restrictions and limitations applicable to the award within the confines of the Incentive Plan's terms.

Based on historic compensation practices, approximately 150 individuals are eligible to receive awards; however, this number is subject to change as the number of individuals in our businesses is adjusted to meet our operational requirements. The benefits or amounts that may be received or allocated to participants under the Incentive Plan will be determined at the discretion of the Compensation Committee or the Board and is not currently determinable. The following table sets forth, with respect to the individuals and groups identified therein, the benefits and amounts that were allocated to such individuals and groups for fiscal year 2012 under our prior long-term incentive plan.

Name and Position	Number of Shares Subject to Stock Awards Granted In 2012 (#)	Grant Date Fair Value of Awards Granted In 2012 (\$)(1)
Randy L. Limbacher, Chairman, CEO and President (PEO)	41,200	1,841,228
John E. Hagale, Executive Vice President and Chief Financial Officer (PFO)	18,502	826,854
John D. Clayton, Senior Vice President, Asset Development (NEO)	16,782	749,988
James E. Craddock, Senior Vice President, Drilling and Production Operations (NEO)	16,782	749,988
Michael H. Hickey, Vice President and General Counsel (NEO)	10,134	452,888
All directors who are not employees (7 persons)	21,811	879,312
All current executive officers as a group (7 persons)	121,636	5,406,953
All employees who are not executive officers (170 persons)	76,097	3,720,763

(1) Represents the total amount of the grant date fair value for awards in accordance with valuation methodology in FASB ASC Topic 718. Amount shown assumes settlement of performance based awards at target levels. The grant date fair value utilized for awards granted to all employees who are not executive officers is \$48.895, which was the fair market value on April 2, 2012.

Available Shares. The maximum number of shares available for grant under the Incentive Plan is 3,600,000 shares of Common Stock. Shares of Common Stock covered by an Award under prior Rosetta long-term incentive plans which are forfeited, cancelled, or expire after the Effective Date of the Incentive Plan shall be

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added to the shares of Common Stock authorized for issuance under the Incentive Plan. Any shares granted as Options or SARs shall be counted against this limit as one share for each share granted. Any shares granted under Awards other than Options or SARs shall be counted against this limit as 1.55 shares for each share granted. Any shares subject to awards under prior incentive plans other than options or SARs that are forfeited, cancelled or expire shall be added to the shares of Common Stock authorized for issuance under the Incentive Plan as 1.55 shares for each share that is forfeited, cancelled or expires. As of March 10, 2013, there were 742,475 shares subject to outstanding awards previously granted under our prior long-term incentive plans, all of which were subject to awards other than Options or SARs. Therefore, the maximum number of shares that could be issued pursuant to the Incentive Plan (assuming all of the outstanding awards under the prior plans are forfeited, cancelled or expire and are therefore added to the shares of Common Stock authorized for issuance under the Incentive Plan in the manner described above) is 4,750,836.

The number of shares available for award under the Incentive Plan is subject to adjustment for certain corporate changes in accordance with the provisions of the Incentive Plan. Shares of common stock issued pursuant to the Incentive Plan may be shares of original issuance, treasury shares or a combination thereof. Shares tendered or withheld in payment of an Option exercise price shall not be returned to the Incentive Plan and shall not become available for future issuance under the Incentive Plan; shares withheld by the Company to satisfy any tax withholding obligation shall not be returned to the Incentive Plan and shall not become available for future issuance under the Incentive Plan; and shares repurchased by the Company with stock option proceeds shall not be returned to the Incentive Plan and shall not become available for future issuance under the Incentive Plan.

Individual Award Limits. The maximum number of shares of common stock available for grant of awards under the Incentive Plan that are denominated in shares to any one participant is (i) 500,000 shares during the fiscal year in which the participant begins work for Rosetta and (ii) 300,000 shares during each fiscal year thereafter. The maximum aggregate amount of cash that may be paid to any one person during any fiscal year with respect to one or more awards payable in cash and not denominated in shares is \$3,000,000.

Non-Employee Director Award Limit. No person who is a non-employee member of the Board may be granted awards under the Incentive Plan for services in such capacity for any one year covering more than 20,000 shares (with shares granted under awards other than Options or SARs being counted against this limit as 1.55 shares for each share granted), provided, however, that a non-employee Board member may be granted awards under the Incentive Plan in excess of such amount if the aggregate value on the date of grant (determined in accordance with applicable accounting standards) of the total awards granted to such non-employee Board member for the applicable year does not exceed \$300,000.

No Repricing or Reload Rights. Except adjustment for certain corporate changes in accordance with the provisions of the Incentive Plan, no award may be repriced, replaced, or regranted through cancellation or otherwise modified without stockholder approval, if the effect would be to reduce the exercise price for the shares underlying such award. Further, no option award that is underwater may be cancelled for the purpose of granting a replacement award of a different type.

Types of Awards

Stock Options. The Incentive Plan provides for the grant of incentive stock options intended to meet the requirements of Section 422 of the Code and non-qualified stock options that are not intended to meet those requirements. Incentive stock options may be granted only to employees of Rosetta and its affiliates. All options will be subject to terms, conditions, restrictions and limitations established by the Committee, as long as they are consistent with the terms of the Incentive Plan.

The Compensation Committee will determine when an option will vest and become exercisable. No option will be exercisable more than ten years after the date of grant (or, in the case of an incentive stock option granted to a 10% stockholder, five years after the date of grant). Unless otherwise provided in the option award

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agreement, options terminate within a certain period of time following a participant's termination of employment or service for any reason other than cause (12 months) or for cause (30 days).

Generally, the exercise price of a stock option granted under the Incentive Plan may not be less than the fair market value of the common stock on the date of grant. However, the exercise price may be less if the option is granted in connection with a transaction and complies with special rules under Section 409A of the Code. Incentive stock options must be granted at 100% of fair market value (or, in the case of an incentive stock option granted to a 10% stockholder, 110% of fair market value).

The exercise price of a stock option may be paid (i) in cash, (ii) at the discretion of the Compensation Committee, with previously acquired non-forfeitable, unrestricted shares of common stock that have been held for at least six months and that have an aggregate fair market value at the time of exercise equal to the total exercise price, or (iii) a combination of those shares and cash. In addition, at the discretion of the Compensation Committee, the exercise price may be paid by delivery to us or our designated agent of an executed irrevocable option exercise form together with irrevocable instructions to a broker-dealer to sell or margin a sufficient portion of the shares of common stock with respect to which the option is exercised and deliver the sale or margin loan proceeds directly to Rosetta to pay the exercise price and any required withholding taxes.

Stock Appreciation Rights (SARs). A stock appreciation right entitles the participant to receive an amount in cash and/or shares of Common Stock, as determined by the Compensation Committee, equal to the amount by which our common stock appreciates in value after the date of the award. The Compensation Committee will determine when the SAR will vest and become exercisable. Generally, the exercise price of a SAR will not be less than the fair market value of the common stock on the date of grant. However, the exercise price may be less if the stock is granted in connection with a transaction and complies with special rules under Section 409A of the Code. No SAR will be exercisable later than ten years after the date of the grant. The Compensation Committee will set other terms, conditions, restrictions and limitations on SARs, including rules as to exercisability after termination of employment or service.

Stock Awards. Stock awards are shares of common stock awarded to participants that are subject to no restrictions. Stock awards may be issued for cash consideration or for no cash consideration.

Restricted Stock and Restricted Stock Units (RSUs). Restricted stock is common stock that must be returned to us if certain conditions are not satisfied. The Compensation Committee will determine the restriction period and may impose other terms, conditions and restrictions on restricted stock, including vesting upon achievement of performance goals pursuant to a performance award and restrictions under applicable securities laws. The Compensation Committee also may require the participant to pay for restricted stock. Subject to the terms and conditions of the award agreement related to restricted stock, a participant holding restricted stock will have the right to receive dividends on the shares of restricted stock during the restriction period, vote the restricted stock and enjoy all other stockholder rights related to the shares of common stock. Upon expiration of the restriction period, the participant is entitled to receive shares of Common Stock not subject to restriction.

Restricted stock units are fictional shares of common stock. The Compensation Committee will determine the restriction period and may impose other terms, conditions and restrictions on RSUs. Upon the lapse of restrictions, the participant is entitled to receive one share of common stock or an amount of cash equal to the fair market value of one share of Common Stock as provided in the award agreement. An award of RSUs may include the grant of a tandem cash dividend right or dividend unit right. A cash dividend right is a contingent right to receive an amount in cash equal to the cash distributions made with respect to a share of common stock during the period the RSU is outstanding. A dividend unit right is a contingent right to have additional RSUs credited to the participant equal to the number of shares of common stock (at fair market value) that may be purchased with the cash dividends. Restricted stock unit awards are considered non-qualified deferred compensation subject to Section 409A of the Code and will be designed to comply with that section.

Performance Awards. A performance award is an award payable in cash (including an annual bonus award) or common stock (or a combination thereof) upon the achievement of certain performance goals over a

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performance period. Performance awards may be combined with other awards to impose performance criteria as part of the terms of the other awards. For each performance award, the Compensation Committee will determine (i) the amount a participant may earn in the form of cash or shares of common stock or a formula for determining the amount payable to the participant, (ii) the performance criteria and level of achievement versus such performance criteria that will determine the amount payable or number of shares of common stock to be granted, issued, retained and/or vested, (iii) the performance period over which performance is to be measured, which may not be shorter than one year, (iv) the timing of any payments to be made, (v) restrictions on the transferability of the award and (vi) other terms and conditions that are not inconsistent with the Incentive Plan.

The Compensation Committee will determine whether specific performance awards are intended to constitute qualified performance-based compensation, or QPBC, within the meaning of Section 162(m) and even if stockholders approve the performance criteria set forth in the Incentive Plan for purposes of the QPBC exception, the Compensation Committee may determine to pay compensation that is not QPBC under Section 162(m) and that is not deductible by reason thereof. To qualify as QPBC, the applicable performance criteria will be selected from the list below in accordance with the requirements of Section 162(m). Section 162(m) imposes a \$1 million cap on the compensation deduction that the Company may take in respect of compensation paid to our Chief Executive Officer and our next three most highly compensated employees (other than our Chief Financial Officer). However, compensation that qualifies as QPBC is excluded from the calculation of the \$1 million cap, and thus remains deductible. In order to constitute QPBC under Section 162(m), in addition to certain other requirements, the relevant amounts must be payable only upon the attainment of pre-established, objective performance goals set by our Compensation Committee and linked to stockholder-approved performance criteria. To allow Rosetta to qualify awards as QPBC, we are seeking stockholder approval of the Incentive Plan and the material terms of the performance goals applicable to performance shares under the Incentive Plan

The performance measure(s) to be used for purposes of performance awards may be described in terms of objectives that are related to the individual participant or objectives that are company-wide or related to a subsidiary, division, department, region, function or business unit of Rosetta in which the participant is employed, and may consist of one or more of any combination of the following criteria:

Earnings or earnings per share (whether on a pre-tax, after-tax, operational or other basis)	Accomplishment of mergers, acquisitions, dispositions, joint ventures, public or private offerings or other financial transactions or similar extraordinary business transactions
Return on equity	Expenses or expense levels
Return on assets or net assets	Market share
One or more operating ratios	Return on capital or invested capital or other related financial measures
Revenues	Capital expenditures
Stock price	Cash flow (whether as an absolute number or a percentage change)
Income or operating income	Net borrowing, debt leverage levels, credit quality or debt ratings
Total stockholder return	Economic value added
Individual business objectives	Growth in production
Net asset value per share	Profit margin
Added reserves	Operating profit

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Growth in reserves per share

Inventory growth

Environmental, health and safety performance

Improvements in internal controls and policies and procedures

Effectiveness of hedging program

Retention and recruitment of employees

Other Incentive Awards. The Compensation Committee may grant other incentive awards under the Incentive Plan based upon, payable in or otherwise related to, shares of common stock if the Compensation Committee determines that the other incentive awards are consistent with the purposes of the Incentive Plan. Other incentive awards will be subject to any terms, conditions, restrictions or limitations established by the Compensation Committee. Payment of other incentive awards will be made at the times and in the forms, which may be cash, shares of common stock or other property, established by the Compensation Committee.

New Plan Benefits. The number of awards that will be received by or allocated to our executive officers, non-employee directors, employees and other service providers under the Incentive Plan is undeterminable at this time.

Corporate Change. Unless any agreement provides otherwise, if a participant's employment or service is terminated for any reason other than death, cause, or inability to perform or if a participant voluntarily terminates employment or service for good reason, in either case within two years after a corporate change of Rosetta (which may include, among others, the dissolution or liquidation of Rosetta, certain reorganizations, mergers or consolidations of Rosetta, the sale of all or substantially all the assets of Rosetta and its affiliates), any time periods, conditions or contingencies relating to exercise or realization of, or lapse of restrictions under, awards will be automatically accelerated or waived so that (1) if no exercise of the award is required, the award may be realized in full at the time of termination, or (2) if exercise of the award is required, the award may be exercised in full beginning at the time of termination. In addition, to the extent surrender or settlement of awards will not result in negative tax consequences to participants, the Committee may, without the consent of a participant, (1) require participants to surrender any outstanding options or stock appreciation rights in exchange for an equivalent amount of cash, common stock, securities of another company or any combination thereof equal to the difference between fair market value of the common stock and the exercise or grant price, or (2) require that participants receive payments in settlement of restricted stock, restricted stock units (and related cash dividend rights and dividend unit rights, as applicable), performance awards or other incentive awards in an amount equivalent to the value of those awards.

Withholding Taxes. All applicable withholding taxes will be deducted from any payment made under the Incentive Plan, withheld from other compensation payable to the participant, or be required to be paid by the participant prior to the making of any payment of cash or common stock under the Incentive Plan. Payment of withholding taxes may be made by withholding shares of common stock from any payment of common stock due or by the delivery by the participant to Rosetta of previously acquired shares of common stock, in either case having an aggregate fair market value equal to the amount of the required withholding taxes. No payment will be made and no shares of common stock will be issued pursuant to any award made under the Incentive Plan until the applicable tax withholding obligations have been satisfied.

Transferability. No award of incentive stock options or restricted stock during its restricted period may be sold, transferred, pledged, exchanged, or disposed of, except by will or the laws of descent and distribution. If provided in the award agreement, other awards may be transferred by a participant to a permitted transferee.

Clawback Provision. All awards granted under the Incentive Plan (and any proceeds, gains or other economic benefit received by a participant in relation to any award under the Incentive Plan) will be subject to the provisions of any claw-back policy that we may implement, including, without limitation, any claw-back policy adopted to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in a participant's applicable award agreement.

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Amendment. The Board of Directors may suspend, terminate, amend or modify the Incentive Plan, but may not without stockholder approval make any alteration or amendment that operates (1) to increase the total number of shares of common stock that may be issued under the Incentive Plan (other than adjustments in connection with certain corporate reorganizations and other events) or to change the designation or class of persons eligible to receive awards under the Incentive Plan, (2) to effect any change for which stockholder approval is required by or necessary to comply with applicable law or the listing requirements of the NASDAQ Global Market or any other exchange or association on which the common stock is then listed or quoted. Upon termination of the Incentive Plan, the terms and provisions thereof will continue to apply to awards granted before termination. No suspension, termination, amendment or modification of the Incentive Plan will adversely affect in any material way any award previously granted under the Incentive Plan, without the consent of the participant.

Effectiveness. The Incentive Plan will become effective upon approval by the stockholders at the Company's 2013 Annual Meeting. Unless terminated earlier, the Incentive Plan will terminate on March 20, 2023.

United States Federal Income Tax Consequences.

The following summary is based on an analysis of the Code as currently in effect, existing laws, judicial decisions, administrative rulings, regulations and proposed regulations, all of which are subject to change. Moreover, the following is only a summary of United States federal income tax consequences. Actual tax consequences to participants may be either more or less favorable than those described below depending on the participants' particular circumstances.

Incentive Stock Options. No income will be recognized by a participant for federal income tax purposes upon the grant or exercise of an incentive stock option. The basis of shares transferred to a participant upon exercise of an incentive stock option is the price paid for the shares. If the participant holds the shares for at least one year after the transfer of the shares to the participant and two years after the grant of the option, the participant will recognize capital gain or loss upon sale of the shares received upon exercise equal to the difference between the amount realized on the sale and the basis of the stock. Generally, if the shares are not held for that period, the participant will recognize ordinary income upon disposition in an amount equal to the excess of the fair market value of the shares on the date of exercise over the amount paid for the shares, or if less (and if the disposition is a transaction in which loss, if any, will be recognized), the gain on disposition. Any additional gain realized by the participant upon the disposition will be a capital gain. The excess of the fair market value of shares received upon the exercise of an incentive stock option over the option price for the shares is an item of adjustment for the participant for purposes of the alternative minimum tax. Therefore, although no income is recognized upon exercise of an incentive stock option, a participant may be subject to alternative minimum tax as a result of the exercise.

Non-qualified Stock Options. No income is expected to be recognized by a participant for federal income tax purposes upon the grant of a non-qualified stock option. Upon exercise of a non-qualified stock option, the participant will recognize ordinary income in an amount equal to the excess of the fair market value of the shares on the date of exercise over the amount paid for the shares. Income recognized upon the exercise of a non-qualified stock option will be considered compensation subject to withholding at the time the income is recognized, and, therefore, the participant's employer must make the necessary arrangements with the participant to ensure that the amount of the tax required to be withheld is available for payment. Non-qualified stock options are designed to provide the employer with a deduction equal to the amount of ordinary income recognized by the participant at the time of the recognition by the participant, subject to the deduction limitations described below.

Stock Appreciation Rights. There is expected to be no federal income tax consequences to either the participant or the employer upon the grant of SARs. Generally, the participant will recognize ordinary income subject to withholding upon the receipt of payment pursuant to SARs in an amount equal to the aggregate amount of cash and the fair market value of any common stock received. Subject to the deduction limitations described

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below, the employer generally will be entitled to a corresponding tax deduction equal to the amount includible in the participant's income.

Stock Awards. The participant will recognize income for federal income tax purposes at the time of the stock award and, subject to the deduction limitations described below, the employer will be entitled to a corresponding deduction.

Restricted Stock. If the restrictions on an award of shares of restricted stock are of a nature that the shares are both subject to a substantial risk of forfeiture and are not freely transferable (within the meaning of Section 83 of the Code), the participant will not recognize income for federal income tax purposes at the time of the award unless the participant affirmatively elects to include the fair market value of the shares of restricted stock on the date of the award, less any amount paid for the shares, in gross income for the year of the award pursuant to Section 83(b) of the Code. In the absence of this election, the participant will be required to include in income for federal income tax purposes on the date the shares either become freely transferable or are no longer subject to a substantial risk of forfeiture (within the meaning of Section 83 of the Code), the fair market value of the shares of restricted stock on such date, less any amount paid for the shares. The employer will be entitled to a deduction at the time of income recognition to the participant in an amount equal to the amount the participant is required to include in income with respect to the shares, subject to the deduction limitations described below. If a Section 83(b) election is made within 30 days after the date the restricted stock is received, the participant will recognize ordinary income at the time of the receipt of the restricted stock, and the employer will be entitled to a corresponding deduction, equal to the fair market value of the shares at the time, less the amount paid, if any, by the participant for the restricted stock. If a Section 83(b) election is made, no additional income will be recognized by the participant upon the lapse of restrictions on the restricted stock, but, if the restricted stock is subsequently forfeited, the participant may not deduct the income that was recognized pursuant to the Section 83(b) election at the time of the receipt of the restricted stock.

Dividends paid to a participant holding restricted stock before the expiration of the restriction period will be additional compensation taxable as ordinary income to the participant subject to withholding, unless the participant made an election under Section 83(b). Subject to the deduction limitations described below, the employer generally will be entitled to a corresponding tax deduction equal to the dividends includible in the participant's income as compensation. If the participant has made a Section 83(b) election, the dividends will be dividend income, rather than additional compensation, to the participant.

If the restrictions on an award of restricted stock are not of a nature that the shares are both subject to a substantial risk of forfeiture and not freely transferable, within the meaning of Section 83 of the Code, the participant will recognize ordinary income for federal income tax purposes at the time of the transfer of the shares in an amount equal to the fair market value of the shares of restricted stock on the date of the transfer, less any amount paid therefore. The employer will be entitled to a deduction at that time in an amount equal to the amount the participant is required to include in income with respect to the shares, subject to the deduction limitations described below.

Restricted Stock Units. There will be no federal income tax consequences to either the participant or the employer upon the grant of restricted stock units. Generally, the participant will recognize ordinary income subject to withholding upon the receipt of cash and/or transfer of shares of common stock in payment of the restricted stock units in an amount equal to the aggregate of the cash received and the fair market value of the common stock so transferred. Subject to the deduction limitations described below, the employer generally will be entitled to a corresponding tax deduction equal to the amount includible in the participant's income.

Performance Awards. There will be no federal income tax consequences to either the participant or the employer upon the grant of performance awards. Generally, the participant will recognize ordinary income subject to withholding upon the receipt of cash and/or shares of common stock in payment of performance awards in an amount equal to the aggregate of the cash received and the fair market value of the common stock.

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so transferred. Subject to the deduction limitations described below, the employer generally will be entitled to a corresponding tax deduction equal to the amount includible in the participant's income.

Dividend Equivalents. Generally, a participant will recognize ordinary income subject to withholding upon the payment of any dividend equivalents paid with respect to an award in an amount equal to the cash the participant receives. Subject to the deduction limitations described below, the employer generally will be entitled to a corresponding tax deduction equal to the amount includible in the participant's income.

Other Incentive Awards. The tax treatment of other incentive awards will depend on the type of award. In general, the participant will be subject to income tax withholding at the time when the ordinary income is recognized. Subject to the deduction limitations described below, the participant's employer will be entitled to a tax deduction at the same time and for the same amount.

Limitations on the Employer's Compensation Deduction. Section 162(m) of the Code limits the deduction certain employers may take for otherwise deductible compensation payable to certain executive officers of the employer to the extent the compensation paid to such an officer for the year exceeds \$1 million, unless the compensation is performance-based, is approved by the employer's stockholders, and meets certain other criteria.

Excess Parachute Payments. Section 280G of the Code limits the deduction that the employer may take for otherwise deductible compensation payable to certain individuals if the compensation constitutes an excess parachute payment. Excess parachute payments arise from payments made to disqualified individuals that are in the nature of compensation and are contingent on changes in ownership or control of the employer or certain affiliates. Accelerated vesting or payment of awards under the Incentive Plan upon a change in ownership or control of the employer or its affiliates could result in excess parachute payments. In addition to the deduction limitation, a disqualified individual receiving an excess parachute payment is subject to a 20% excise tax on the amount thereof.

Application of Section 409A of the Code. Section 409A of the Code imposes an additional 20% tax and interest on an individual receiving non-qualified deferred compensation under a plan that fails to satisfy certain requirements. For purposes of Section 409A, non-qualified deferred compensation includes equity-based incentive programs, including some stock options, stock appreciation rights and restricted stock unit programs. Generally speaking, Section 409A does not apply to incentive stock options, non-discounted non-qualified stock options and appreciation rights if no deferral is provided beyond exercise, or restricted stock.

The awards made pursuant to the Incentive Plan will be designed to comply with the requirements of Section 409A of the Code to the extent the awards granted under the Incentive Plan are not exempt from coverage. However, if the Incentive Plan fails to comply with Section 409A in operation, a participant could be subject to the additional taxes and interest.

State and local tax consequences may in some cases differ from the federal tax consequences. The foregoing summary of the income tax consequences in respect of the Incentive Plan is for general information only. Interested parties should consult their own advisors as to specific tax consequences of their awards.

The Incentive Plan is not subject to the Employee Retirement Income Security Act of 1974, as amended, and is not intended to be qualified under Section 401(a) of the Code.

The Board unanimously recommends that you vote FOR approval of the Rosetta Resources Inc. 2013 Long-Term Incentive Plan.

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PROPOSAL 4

RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee, which is composed entirely of independent directors, has selected PricewaterhouseCoopers LLP (PwC) as the independent registered public accounting firm to audit the consolidated financial statements and the effectiveness of internal control over financial reporting of the Company and its subsidiaries for 2013. The Board has endorsed this appointment.

Ratification of the appointment of PwC as our independent registered public accounting firm for 2013 requires the affirmative vote of a majority of the votes cast on the proposal at the annual meeting. If the appointment is not ratified, the Board will consider whether it should select another independent registered public accounting firm.

The Board unanimously recommends that you vote FOR the ratification of the appointment of PwC as the Company s independent registered public accounting firm.

Table of Contents**PRINCIPAL ACCOUNTANT FEES AND SERVICES**

The Audit Committee appointed PwC as our independent registered public accounting firm for 2013. Stockholders are being asked to ratify the appointment of PwC at the annual meeting pursuant to Proposal 4. Representatives of PwC are expected to be present at the annual meeting, will have the opportunity to make a statement if they desire to do so, and are expected to be available to respond to appropriate questions.

Audit and Non-Audit Fees Summary

The following table shows the fees paid or accrued by us for services provided by PwC during the periods indicated:

	<i>(\$ in Thousands)</i>	2012	2011
Audit Fees ⁽¹⁾		\$ 1,300	\$ 1,406
Audit-Related Fees		48	
Tax Fees			
Other			

- (1) Audit fees represent fees for professional services provided in connection with: (a) the annual audit of our consolidated financial statements; (b) the annual audit of the effectiveness of our internal control over financial reporting; (c) the review of our quarterly consolidated financial statements; and (d) other assurance and related services, including attest reports and accounting consultations related to securities offerings and asset divestitures in 2011 and 2012.
- (2) Audit-related fees represent fees for professional services provided in connection with other assurance and related services, including accounting consultations related to potential acquisitions and stock-based compensation. No audit-related services were performed in 2011.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee pre-approves all audit and non-audit services by the independent registered public accountant prior to the receipt of such services. Non-audit services may be pre-approved by the Audit Committee Chairman who will report such pre-approval to the Audit Committee at its next scheduled meeting.

All fees for 2012 and 2011 set forth in the table above were pre-approved by the Audit Committee Chairman or the Audit Committee, as provided above, which in either case determined that such services would not impair the independence of the auditor and would be consistent with the SEC's rules on auditor independence.

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REPORT OF THE AUDIT COMMITTEE

To the Stockholders of

Rosetta Resources Inc.:

The primary purpose of the Audit Committee of the Company's Board of Directors is to assist the Board of Directors in fulfilling its responsibilities for monitoring (i) the integrity of the quarterly and annual financial and accounting information to be provided to the stockholders and the SEC; (ii) the system of internal controls that management has established; (iii) the Company's independent registered public accountants' qualifications and independence; (iv) the performance of the Company's internal audit functions and its independent registered public accountants; and (v) the Company's compliance with legal and regulatory requirements governing the preparation and reporting of financial information. The Audit Committee's function is more fully described in its charter, a copy of which is posted in the Corporate Governance section on our website at www.rosettaresources.com. The Audit Committee held six meetings during 2012, including regular meetings addressing earnings releases and related matters.

The Audit Committee has reviewed and discussed the Company's audited financial statements with management. It has also discussed with PwC, the Company's independent registered public accountants, the matters required to be discussed by Statement on Auditing Standards No. 61, as amended, (AICPA, Professional Standards, Vol. 1. AU section 380), as adopted by the Public Company Accounting Oversight Board in Rule 3200T. The Audit Committee also discussed with PwC and management PwC's independence from the Company and received the written disclosures and the letter from PwC concerning independence as required by the Public Company Accounting Oversight Board Ethics and Independence Rule 3526, Communication with Audit Committees Concerning Independence.

Based on the Audit Committee's discussions with management and PwC, and its review of the representations of management and the report of PwC to the Audit Committee, the Audit Committee recommended to the Board of Directors the inclusion of the audited consolidated financial statements in the Company's Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the SEC on February 26, 2013.

The information contained in this Audit Committee Report shall not be deemed to be soliciting material to be filed with the SEC, nor shall such information be incorporated by reference into any future filings with the SEC, or subject to the liabilities of Section 18 of the Exchange Act, except to the extent that the Company specifically incorporates it by reference into a document filed under the Securities Act of 1933, as amended, or the Exchange Act.

AUDIT COMMITTEE

Matthew D. Fitzgerald, Chairman

D. Henry Houston

Donald D. Patteson, Jr.

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OTHER BUSINESS

Management does not intend to bring any other business before the meeting and has not been informed that any other matters are to be presented at the meeting by others. If other matters properly come before the meeting or any adjournment thereof, the persons named in the accompanying proxy and acting thereunder will vote in accordance with their best judgment.

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STOCKHOLDER PROPOSALS AND OTHER MATTERS

Rule 14a-8 under the Exchange Act addresses when a company must include a stockholder's proposal in its proxy statement and identify the proposal in its form of proxy when the company holds an annual or special meeting of stockholders. Under Rule 14a-8, proposals that stockholders intend to have included in the Company's Proxy Statement and form of proxy for the 2014 Annual Meeting of Stockholders must be received by the Company no later than December 9, 2013.

Such proposals may be submitted by eligible stockholders and must comply with the relevant regulations of the SEC regarding stockholder proposals. Such proposals should be sent to the Company's principal executive offices at 1111 Bagby, Suite 1600, Houston, Texas 77002; Attn.: Corporate Secretary.

If a stockholder intends to present a proposal for consideration at the Company's 2014 annual meeting without inclusion in the proxy statement and form of proxy, such proposal must comply with our Bylaws and any applicable rules and regulations of the SEC and be received by us no earlier than January 16, 2014 and no later than February 15, 2014.

The cost of solicitation of proxies will be borne by the Company. Solicitation may be made by mail, personal interview, telephone or telegraph by officers, agents or employees of the Company, who will receive no additional compensation therefor. The Company will bear the reasonable expenses incurred by banks, brokerage firms, custodians, nominees and fiduciaries in forwarding proxy material to beneficial owners.

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ADDITIONAL INFORMATION

Annual Report

The annual report to stockholders for the year ended December 31, 2012 is being mailed to all stockholders entitled to vote at the meeting. The annual report to stockholders does not form any part of the proxy soliciting materials. Copies of the Company's Annual Report on Form 10-K for the year ended December 31, 2012, as filed with the SEC, are available without charge to stockholders through the Investor Relations section of the website at www.rosettaresources.com or upon request to Karen Paganis, Assistant General Counsel and Corporate Secretary of Rosetta Resources Inc., 1111 Bagby, Suite 1600, Houston, Texas 77002.

Stockholder Communications with the Board of Directors

Stockholders who wish to communicate with the Board of Directors or a particular director may send a letter to the Corporate Secretary of the Company at 1111 Bagby, Suite 1600, Houston, Texas 77002. The mailing envelope must contain a clear notation indicating that the enclosed letter is a Stockholder-Board Communication or Stockholder-Director Communication. All such letters must identify the author as a stockholder and clearly state whether the intended recipients are all members of the Board or just certain specified individual directors. The Corporate Secretary will make copies of all such letters and circulate them to the appropriate director or directors.

Number of Proxy Statements and Annual Reports

Only one copy of this Proxy Statement and the annual report accompanying this Proxy Statement will be mailed to stockholders who have the same address unless we receive a request that the stockholders with the same address are to receive separate Proxy Statements and annual reports. These additional copies will be supplied at no additional cost to the requesting stockholder.

REGARDLESS OF THE NUMBER OF SHARES YOU OWN, IT IS IMPORTANT THAT THEY BE REPRESENTED AT THE MEETING, AND YOU ARE RESPECTFULLY REQUESTED TO VOTE YOUR PROXY AS SOON AS POSSIBLE.

By order of the Board of Directors of

ROSETTA RESOURCES INC.

Karen Paganis

Assistant General Counsel and Corporate Secretary

Houston, Texas

April 8, 2013

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EXHIBIT A

ROSETTA RESOURCES INC.

2013 LONG-TERM INCENTIVE PLAN

Effective [May 16, 2013]

ARTICLE I. ESTABLISHMENT AND PURPOSE

1.1 Establishment and Purpose. Rosetta Resources Inc. ("Rosetta") hereby establishes the Rosetta Resources Inc. 2013 Long-Term Incentive Plan, as set forth in this document. The purpose of the Plan is to attract and retain highly qualified individuals and service providers, to further align the interests of Company employees and other service providers with those of the stockholders of Rosetta, and closely link compensation with Company performance. Rosetta is committed to creating long-term stockholder value. Rosetta's compensation philosophy is based on a belief that Rosetta can best create stockholder value if key employees, directors, and certain others providing services to the Company act and are rewarded as business owners. Rosetta believes that an equity stake through equity compensation programs effectively aligns employee and stockholder interests by motivating and rewarding long-term performance that will enhance stockholder value.

1.2 Effectiveness and Term. This Plan, which has been adopted by the Board subject to stockholder approval, shall become effective as of the date of the Company's 2013 annual meeting of stockholders provided that the adoption of the Plan is approved by the stockholders of the Company on such date. Notwithstanding any provision in the Plan, no Award shall be granted prior to such stockholder approval. No further Awards may be granted under the Plan after 10 years from the date of the approval of the Plan by the Board. The Plan shall remain in effect until all Options and SARs granted under the Plan have been exercised or expired, all Restricted Stock Awards granted under the Plan have vested or been forfeited, and all Performance Awards, Incentive Awards, and Bonus Stock Awards have been satisfied.

ARTICLE II. DEFINITIONS

2.1 Affiliate means (i) with respect to Incentive Stock Options, a parent corporation or a subsidiary corporation of Rosetta, as those terms are defined in Sections 424(e) and (f) of the Code, respectively, and (ii) with respect to other Awards, (A) a parent corporation or a subsidiary corporation of Rosetta as defined in (i) above, (B) a limited liability company, partnership or other entity in which Rosetta controls 50% or more of the voting power or equity interests.

2.2 Award means an award granted to a Participant in the form of Options, SARs, Restricted Stock, Restricted Stock Units, Performance Awards, Stock Awards or Other Incentive Awards, whether granted singly or in combination.

2.3 Award Agreement means a written agreement between Rosetta and a Participant that sets forth the terms, conditions, restrictions and limitations applicable to an Award.

2.4 Board means the Board of Directors of Rosetta.

2.5 Cash Dividend Right means a contingent right, granted in tandem with a specific Restricted Stock Unit Award, to receive an amount in cash equal to the cash distributions made by Rosetta with respect to a share of Common Stock during the period such Award is outstanding.

2.6 Cause means a finding by the Committee of acts or omissions constituting, in the Committee's reasonable judgment, (i) a breach of duty by the Participant in the course of his employment or service involving fraud, acts of dishonesty (other than inadvertent acts or omissions), disloyalty to the Company, or moral turpitude constituting criminal felony; (ii) conduct by the Participant that is materially detrimental to the Company,

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monetarily or otherwise, or reflects unfavorably on the Company or the Participant to such an extent that the Company's best interests reasonably require the termination of the Participant's employment or service; (iii) acts or omissions of the Participant materially in violation of his obligations under any written employment or other agreement between the Participant and the Company or at law; (iv) the Participant's failure to comply with or enforce Company policies concerning equal employment opportunity, including engaging in sexually or otherwise harassing conduct; (v) the Participant's repeated insubordination; (vi) the Participant's failure to comply with or enforce, in any material respect, all other personnel policies of the Company; (vii) the Participant's failure to devote his full (or other required) working time and best efforts to the performance of his responsibilities to the Company; or (viii) the Participant's conviction of, or entry of a plea agreement or consent decree or similar arrangement with respect to a felony or any violation of federal or state securities laws.

2.7 Code means the Internal Revenue Code of 1986, as amended from time to time, including regulations thereunder and successor provisions and regulations.

2.8 Committee means the Compensation Committee of the Board or such other committee of the Board as may be designated by the Board to administer the Plan, which committee shall consist of two or more members of the Board; provided, however, that with respect to the application of the Plan to Awards made to Outside Directors, the Committee shall be the Board. During such time as the Common Stock is registered under Section 12 of the Exchange Act, each member of the Committee shall be an Outside Director. To the extent that no Committee exists that has the authority to administer the Plan, the functions of the Committee shall be exercised by the Board.

2.9 Common Stock means the common stock of Rosetta, \$0.001 par value per share, or any stock or other securities of hereafter issued or issuable in substitution or exchange for the Common Stock.

2.10 Company means Rosetta and any Affiliate.

2.11 Corporate Change means (i) the dissolution or liquidation of Rosetta; (ii) a reorganization, merger or consolidation of Rosetta with one or more corporations (other than a merger or consolidation effecting a reincorporation of Rosetta in another state or any other merger or consolidation in which the stockholders of the surviving corporation and their proportionate interests therein immediately after the merger or consolidation are substantially identical to the stockholders of Rosetta and their proportionate interests therein immediately prior to the merger or consolidation) (collectively, a Corporate Change Merger); (iii) the sale of all or substantially all of the assets of the Company; or (iv) the occurrence of a Change in Control. A Change in Control shall be deemed to have occurred if (x) individuals who were directors of Rosetta immediately prior to a Control Transaction shall cease, within two years of such Control Transaction to constitute a majority of the Board (or of the Board of Directors of any successor to Rosetta or to a company which has acquired all or substantially all its assets) other than by reason of an increase in the size of the membership of the applicable Board or the appointment of any successors to any departing directors that is approved by at least a majority of the individuals who were directors of Rosetta immediately prior to such Control Transaction or (y) any entity, person or Group acquires shares of Rosetta in a transaction or series of transactions that result in such entity, person or Group directly or indirectly owning beneficially 50% or more of the outstanding shares of Common Stock. As used herein, Control Transaction means (A) any tender offer for or acquisition of capital stock of Rosetta pursuant to which any person, entity, or Group directly or indirectly acquires beneficial ownership of 20% or more of the outstanding shares of Common Stock; (B) any Corporate Change Merger of Rosetta; (C) any contested election of directors of Rosetta; or (D) any combination of the foregoing, any one of which results in a change in voting power sufficient to elect a majority of the Board. As used herein, Group means persons who act in concert as described in Sections 13(d)(3) and/or 14(d)(2) of the Exchange Act. Notwithstanding the foregoing, Corporate Change shall not include any public offering of equity of Rosetta pursuant to a registration that is effective under the Securities Act.

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2.12 Dividend Unit Right means a contingent right, granted in tandem with a specific Restricted Stock Unit Award, to have an additional number of Restricted Stock Units credited to a Participant in respect of the Award equal to the number of shares of Common Stock that could be purchased at Fair Market Value with the amount of each cash distribution made by Rosetta with respect to a share of Common Stock during the period such Award is outstanding.

2.13 Effective Date means the date this Plan becomes effective as provided in Section 1.2.

2.14 Employee means an employee of the Company; provided, however, that the term Employee does not include an Outside Director or an individual performing services for the Company who is treated for tax purposes as an independent contractor at the time of performance of the services.

2.15 Exchange Act means the Securities Exchange Act of 1934, as amended.

2.16 Fair Market Value means the fair market value of the Common Stock, as determined in good faith by the Committee or (i) if the Common Stock is traded in the over-the-counter market, the average of the representative closing bid and asked prices as reported by NASDAQ for the date the Award is granted (or if there was no quoted price for such date of grant, then for the last preceding business day on which there was a quoted price), or (ii) if the Common Stock is traded in the NASDAQ National Market System, the average of the highest and lowest selling prices for such stock as quoted on the NASDAQ National Market System for the date the Award is granted (or if there are no sales for such date of grant, then for the last preceding business day on which there were sales), or (iii) if the Common Stock is listed on any national stock exchange, the average of the highest and lowest selling prices for such stock as quoted on such exchange for the date the Award is granted (or if there are no sales for such date of grant, then for the last preceding business day on which there were sales).

2.17 Good Reason means any of the following actions if taken without the Participant's prior written consent: (i) any material failure by the Company to comply with its obligations under the terms of a written employment agreement; (ii) any demotion of the Participant as evidenced by a material reduction in the Participant's responsibilities, duties, compensation, or benefits; or (iii) any permanent relocation of the Participant's place of business to a location 50 miles or more from the then-current location. Neither a transfer of employment among Rosetta and any of its Affiliates nor a mere change in job title or reporting structure constitutes Good Reason.

2.18 Grant Date means the date an Award is determined to be effective by the Committee upon the grant of such Award.

2.19 Inability to Perform means and shall be deemed to have occurred if the Participant has been determined under the Company's or any co-employer's long-term disability plan to be eligible for long-term disability benefits. In the absence of the Participant's participation in, application for benefits under, or existence of such a plan, Inability to Perform means a finding by the Committee in its sole judgment that the Participant is, despite any reasonable accommodation required by law, unable to perform the essential functions of his position because of an illness or injury for (i) 60% or more of the normal working days during six consecutive calendar months or (ii) 40% or more of the normal working days during twelve consecutive calendar months. Provided, however, that if the Participant's employment is governed by an individual employment agreement with the Company which provides a definition of Inability to Perform, then such contractual definition will control for purposes of this Plan, and the preceding two sentences shall not apply.

2.20 Incentive Stock Option means an Option that is intended to meet the requirements of Section 422(b) of the Code.

2.21 NASDAQ means The NASDAQ Stock Market, Inc.

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- 2.22 Non-Employee Director** shall mean a member of the Board who is not an Employee.
- 2.23 Nonqualified Stock Option** means an Option that is not an Incentive Stock Option.
- 2.24 Option** means an option to purchase shares of Common Stock granted to a Participant pursuant to Article VII. An Option may be either an Incentive Stock Option or a Nonqualified Stock Option, as determined by the Committee.
- 2.25 Other Incentive Award** means an incentive award granted to a Participant pursuant to Article XII.
- 2.26 Outside Director** means a member of the Board who: (i) meets the independence requirements of the principal exchange or quotation system upon which the shares of Common Stock are listed or quoted, (ii) from and after the date on which the remuneration paid pursuant to the Plan becomes subject to the deduction limitation under Section 162(m) of the Code, qualifies as an outside director under Section 162(m) of the Code, (iii) qualifies as a non-employee director of Rosetta under Rule 16b-3, and (iv) satisfies independence criteria under any other applicable laws or regulations relating to the issuance of shares of Common Stock to Employees.
- 2.27 Participant** means an Employee, director, or other individual or entity who performs services for the Company that has been granted an Award; provided, however, that no Award that may be settled in Common Stock may be issued to a Participant that is not a natural person.
- 2.28 Performance Award** means an Award granted to a Participant pursuant to Article XI to receive cash (including an annual cash bonus award) or Common Stock conditioned in whole or in part upon the satisfaction of performance goals based on specified performance criteria.
- 2.29 Performance Period or performance period** shall be the period of time as provided in the Performance Award, as set forth in Section 11.1.
- 2.30 Permitted Transferee** shall have the meaning given such term in Section 16.4.
- 2.31 Plan** means this Rosetta Resources Inc. 2013 Long-Term Incentive Plan, as in effect and as amended from time to time.
- 2.32 Prior Plan** means the Amended and Restated Rosetta Resources Inc. 2005 Long-Term Incentive Plan, as in effect and as amended from time to time.
- 2.33 Purchased Restricted Stock** shall have the meaning given such term in Section 9.2.
- 2.34 Restricted Period** means the period established by the Committee with respect to an Award of Restricted Stock or Restricted Stock Units during which the Award remains subject to forfeiture.
- 2.35 Restricted Stock** means a share of Common Stock granted to a Participant pursuant to Article IX that is subject to such terms, conditions, and restrictions as may be determined by the Committee.
- 2.36 Restricted Stock Unit** means a fictional share of Common Stock granted to a Participant pursuant to Article X that is subject to such terms, conditions, and restrictions as may be determined by the Committee.
- 2.37 Rosetta** means Rosetta Resources Inc., a Delaware corporation, or any successor thereto.
- 2.38 Rule 16b-3** means Rule 16b-3 promulgated by the SEC under the Exchange Act, or any successor rule or regulation that may be in effect from time to time.

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2.39 SEC means the United States Securities and Exchange Commission, or any successor agency or organization.

2.40 Securities Act means the Securities Act of 1933, as amended.

2.41 Stock Appreciation Right or **SAR** means a right granted to a Participant pursuant to Article VIII with respect to a share of Common Stock to receive upon exercise cash, Common Stock or a combination of cash and Common Stock, equal to the appreciation in value of a share of Common Stock.

2.42 Total and Permanent Disability means that the Participant has terminated employment or service with the Company and is eligible for and receiving benefits under the long-term disability insurance plan sponsored by the Company (LTD Plan), and at the time such Participant terminated employment or service, the Participant met the definition of disabled for purposes of receiving benefits under such LTD Plan, provided, however, that with respect to any Award which is subject to Section 409A of the Code, such Participant must also, at the time of termination of employment or service, meet one of the following standards:

(a) The Participant is, at such time, unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months; or

(b) The Participant is, at such time, by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months, receiving income replacement benefits for a period of not less than three months under an accident and health plan covering employees of the Company.

Provided, further, that a Participant shall be deemed to have a Total and Permanent Disability if such Participant is determined to be totally disabled by the Social Security Administration.

ARTICLE III. PLAN ADMINISTRATION

3.1 Plan Administrator and Discretionary Authority. The Plan shall be administered by the Committee. The Committee shall have total and exclusive responsibility to control, operate, manage and administer the Plan in accordance with its terms. The Committee shall have all the authority that may be necessary or helpful to enable it to discharge its responsibilities with respect to the Plan. Without limiting the generality of the preceding sentence, the Committee shall have the exclusive right to: (i) interpret the Plan and the Award Agreements executed hereunder; (ii) decide all questions concerning eligibility for, and the amount of, Awards granted under the Plan; (iii) construe any ambiguous provision of the Plan or any Award Agreement; (iv) prescribe the form of Award Agreements; (v) correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award Agreement; (vi) issue administrative guidelines as an aid to administering the Plan and make changes in such guidelines as the Committee from time to time deems proper; (vii) make regulations for carrying out the Plan and make changes in such regulations as the Committee from time to time deems proper; (viii) determine whether Awards should be granted singly or in combination; (ix) to the extent permitted under the Plan, grant waivers of Plan terms, conditions, restrictions and limitations; (x) accelerate the exercise, vesting or payment of an Award when such action or actions would be in the best interests of the Company; (xi) require Participants to hold a stated number or percentage of shares of Common Stock acquired pursuant to an Award for a stated period; and (xii) take any and all other actions the Committee deems necessary or advisable for the proper operation or administration of the Plan. The Committee shall have authority in its sole discretion with respect to all matters related to the discharge of its responsibilities and the exercise of its authority under the Plan, including without limitation its construction of the terms of the Plan and its determination of eligibility for participation in, and the terms of Awards granted under, the Plan. The decisions of the Committee and its actions with respect to

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the Plan shall be final, conclusive and binding on all persons having or claiming to have any right or interest in or under the Plan, including without limitation Participants and their respective Permitted Transferees, estates, beneficiaries and legal representatives.

3.2 Delegation of Authority. The Committee may delegate to one or more officers of the Company the authority to act on behalf of the Committee with respect to any matter, right, obligation, or election that is the responsibility of or that is allocated to the Committee herein, and that may be so delegated as a matter of law, except for grants of Awards to persons (i) subject to Section 16 of the Exchange Act or (ii) who are, or who are reasonably expected to be, covered employees for purposes of Section 162(m) of the Code.

3.3 Liability; Indemnification. No member of the Committee, nor any person to whom it has delegated authority, shall be personally liable for any action, interpretation or determination made in good faith with respect to the Plan or Awards granted hereunder, and each member of the Committee (or delegate of the Committee) shall be fully indemnified and protected by Rosetta with respect to any liability he may incur with respect to any such action, interpretation or determination, to the maximum extent permitted by applicable law.

ARTICLE IV. SHARES SUBJECT TO THE PLAN

4.1 Available Shares.

(a) Subject to adjustment as provided in Section 4.2, Awards may be made under this Plan for a total of a number of shares of Common Stock equal to the sum of (i) 3,600,000 shares of Common Stock, and (ii) any shares of Common Stock covered by an award under the Prior Plan which are forfeited, cancelled, or expire after the Effective Date of this Plan, provided that if an award of restricted stock or restricted stock units (or other award that is not subject to an exercise price, strike price or similar concept) under the Prior Plan is forfeited, cancelled or expires after the Effective Date of this Plan, the number shares of Common Stock covered by such award that shall be added to the total number of shares available for issuance under this Plan shall be multiplied by a factor of 1.55 times the number of shares subject to such award. As of the Effective Date, no further awards will be granted under the Prior Plan.

(b) The maximum number of shares of Common Stock that may be subject to all Awards granted under the Plan (including Awards denominated in shares of Common Stock but payable or paid in cash) to any one Participant (i) during the fiscal year of Rosetta in which the Participant is first hired by the Company is 500,000 shares and (ii) during each subsequent fiscal year is 300,000 shares. The foregoing limitations provided in this Section 4.1(b) shall be subject to adjustment as provided in Section 4.2. The maximum aggregate amount of cash that may be paid to any one person during any fiscal year of Rosetta with respect to one or more Awards payable in cash and not denominated in shares of Common Stock shall be \$3,000,000.

(c) No Non-Employee Director shall be granted Awards under this Plan for services as a Non-Employee Director for any one year covering more than 20,000 shares, with Awards of the type described in Sections 4.3(c) or (d) counting as 1.55 times the number of shares subject to such an Award for this purpose, provided, however, that a Non-Employee Director may be granted Awards under this Plan for services as a Non-Employee Director for any one year in excess of such amount if the total Awards granted to such Non-Employee Director under this Plan for services as a Non-Employee Director in such year do not have a grant date fair value, as determined in accordance with FASB ASC Topic 718, or any successor standard, in excess of \$300,000.

(d) Shares of Common Stock issued pursuant to the Plan may be original issue or treasury shares or a combination of the foregoing, as the Committee, in its sole discretion, shall from time to time determine. During the term of this Plan, Rosetta will at all times reserve and keep available such number of shares of Common Stock as shall be sufficient to satisfy the requirements of the Plan.

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4.2 Adjustments for Recapitalizations and Reorganizations. Subject to Article XIII, if there is any change in the number or kind of shares of Common Stock outstanding (i) by reason of a stock dividend, spin-off, recapitalization, stock split, or combination or exchange of shares, (ii) by reason of a merger, reorganization, or consolidation, (iii) by reason of a reclassification or change in par value, or (iv) by reason of any other extraordinary or unusual event affecting the outstanding Common Stock as a class without Rosetta's receipt of consideration, or if the value of outstanding shares of Common Stock is reduced as a result of a spin-off or Rosetta's payment of an extraordinary cash dividend, or distribution or dividend or distribution consisting of any assets of Rosetta other than cash, the maximum number and kind of shares of Common Stock available for issuance under the Plan, the maximum number and kind of shares of Common Stock for which any individual may receive Awards in any fiscal year, the number and kind of shares of Common Stock covered by outstanding Awards, and the price per share or the applicable market value or performance target of such Awards shall be equitably and proportionately adjusted by the Committee to reflect any increase or decrease in the number of, or change in the kind or value of, issued shares of Common Stock to preclude, to the extent practicable, the enlargement or dilution of rights under such Awards; provided, however, that any fractional shares resulting from such adjustment shall be eliminated.

4.3 Adjustments for Awards. The following rules shall apply for the purpose of determining the number of shares of Common Stock available for grant of Awards under the Plan:

(a) **Options, Restricted Stock and Stock Awards.** The grant of Options, Restricted Stock or Stock Awards shall reduce the number of shares of Common Stock available for grant of Awards under the Plan by the number of shares of Common Stock subject to such an Award.

(b) **SARs.** The grant of SARs that may be paid or settled (i) only in Common Stock or (ii) in either cash or Common Stock (or a combination thereof) shall reduce the number of shares available for grant of Awards under the Plan by the number of shares subject to such an Award. The portion of any grant of SARs that may be paid or settled only for cash shall not affect the number of shares available for grant of Awards under the Plan.

(c) **Restricted Stock and Restricted Stock Units.** The grant of Restricted Stock or Restricted Stock Units (including those credited to a Participant in respect of a Dividend Unit Right) that may be paid or settled (i) only in Common Stock or (ii) in either cash or Common Stock (or a combination thereof) shall reduce the number of shares available for grant of Awards under the Plan by a factor of 1.55 times the number of shares subject to such an Award. The portion of any grant of Restricted Stock Units that may be paid or settled only for cash shall not affect the number of shares available for grant of Awards under the Plan.

(d) **Other Incentive Awards.** The grant of a Performance Award or Other Incentive Award in the form of Common Stock or that may be paid or settled (i) only in Common Stock or (ii) in either cash or Common Stock (or a combination thereof) shall reduce the number of shares available for grant of Awards under the Plan by a factor of 1.55 times the number of shares subject to such an Award. The portion of any grant of a Performance Award or Other Incentive Award that may be paid or settled only for cash shall not affect the number of shares available for grant of Awards under the Plan.

(e) **Cancellation, Forfeiture and Termination.** If or to the extent any Award referred to in Sections 4.3(a), (b), (c), or (d) (other than an Award that may be paid or settled only for cash) is canceled or forfeited, or terminates, expires or lapses, or is settled for cash without the issuance of shares of Common Stock, for any reason, the shares then subject to such Award shall again be available for grant of Awards under the Plan.

(f) **Payment of Exercise Price and Withholding Taxes.** Notwithstanding anything to the contrary herein: shares tendered or withheld in payment of an Option exercise price shall not be returned to the Plan and shall not become available for future issuance under the Plan; shares withheld by the Company to

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satisfy any tax withholding obligation shall not be returned to the Plan and shall not become available for future issuance under the Plan; and shares repurchased by the Company with stock option proceeds shall not be returned to the Plan and shall not become available for future issuance under the Plan.

ARTICLE V. ELIGIBILITY

5.1 The Committee shall select Participants from those Employees, Outside Directors and other individuals or entities providing services to the Company that, in the opinion of the Committee, are in a position to make a significant contribution to the success of the Company. Once a Participant has been selected for an Award by the Committee, the Committee shall determine the type and size of Award to be granted to the Participant and shall establish in the related Award Agreement the terms, conditions, restrictions and limitations applicable to the Award, in addition to those set forth in the Plan and the administrative guidelines and regulations, if any, established by the Committee.

ARTICLE VI. FORM OF AWARDS

6.1 Form of Awards. Awards may be granted under the Plan, in the Committee's sole discretion, in the form of Options pursuant to Article VII, SARs pursuant to Article VIII, Restricted Stock pursuant to Article IX, Restricted Stock Units pursuant to Article X, Performance Awards pursuant to Article XI, and Stock Awards and Other Incentive Awards pursuant to Article XII, or a combination thereof. All Awards shall be subject to the terms, conditions, restrictions and limitations of the Plan. The Committee may, in its sole discretion, subject any Award to such other terms, conditions, restrictions and/or limitations (including without limitation the time and conditions of exercise, vesting or payment of an Award and restrictions on transferability of any shares of Common Stock issued or delivered pursuant to an Award), provided they are not inconsistent with the terms of the Plan. The Committee may, but is not required to, subject an Award to such conditions as it determines are necessary or appropriate to ensure that an Award constitutes qualified performance based compensation within the meaning of Section 162(m) of the Code and the regulations thereunder. Awards under a particular Article of the Plan need not be uniform, and Awards under more than one Article of the Plan may be combined in a single Award Agreement. Any combination of Awards may be granted at one time and on more than one occasion to the same Participant. Subject to compliance with applicable tax law, an Award Agreement may provide that a Participant may elect to defer receipt of income attributable to the exercise or vesting of an Award.

6.2 No Repricing or Reload Rights. Except for adjustments made pursuant to Section 4.2, no Award may be repriced, replaced, regranted through cancellation or otherwise modified without stockholder approval, if the effect would be to reduce the exercise price for the shares underlying such Award. The Committee may not cancel an outstanding Option that is under water for the purpose of granting a replacement Award of a different type.

6.3 Loans. The Committee may, in its sole discretion, approve the extension of a loan by the Company to a Participant who is an Employee to assist the Participant in paying the exercise price or purchase price of an Award; provided, however, that no loan shall be permitted if the extension of such loan would violate any provision of applicable law. Any loan will be made upon such terms and conditions as the Committee shall determine.

ARTICLE VII. OPTIONS

7.1 General. Awards may be granted in the form of Options that may be Incentive Stock Options or Nonqualified Stock Options, or a combination of both; provided, however, that Incentive Stock Options may be granted only to Employees.

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7.2 Terms and Conditions of Options. An Option shall be exercisable in whole or in such installments and at such times as may be determined by the Committee. The price at which a share of Common Stock may be purchased upon exercise of an Option shall be determined by the Committee, but such exercise price shall not be less than 100% of the Fair Market Value per share of Common Stock on the Grant Date unless the Option was granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who became Employees as a result of a merger, consolidation, acquisition, or other corporate transaction involving the Company and complies with Section 409A of the Code. Except as otherwise provided in Section 7.3, the term of each Option shall be as specified by the Committee; provided, however, that no Options shall be exercisable later than ten years after the Grant Date. Options may be granted with respect to Restricted Stock or shares of Common Stock that are not Restricted Stock, as determined by the Committee in its sole discretion.

7.3 Restrictions Relating to Incentive Stock Options.

(a) Options granted in the form of Incentive Stock Options shall, in addition to being subject to the terms and conditions of Section 7.2, comply with Section 422(b) of the Code. To the extent the aggregate Fair Market Value (determined as of the times the respective Incentive Stock Options are granted) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by an individual during any calendar year under all incentive stock option plans of the Company exceeds \$100,000, such excess Incentive Stock Options shall be treated as options that do not constitute Incentive Stock Options. The Committee shall determine, in accordance with the applicable provisions of the Code, which of a Participant's Incentive Stock Options will not constitute Incentive Stock Options because of such limitation and shall notify the Participant of such determination as soon as practicable after such determination. The price at which a share of Common Stock may be purchased upon exercise of an Incentive Stock Option shall be determined by the Committee, but such exercise price shall not be less than 100% of the Fair Market Value of a share of Common Stock on the Grant Date. No Incentive Stock Option shall be granted to an Employee under the Plan if, at the time such Option is granted, such Employee owns stock possessing more than 10% of the total combined voting power of all classes of stock of Rosetta or an Affiliate, within the meaning of Section 422(b)(6) of the Code, unless (i) on the Grant Date of such Option, the exercise price of such Option is at least 110% of the Fair Market Value of the Common Stock subject to the Option and (ii) such Option by its terms is not exercisable after the expiration of five years from the Grant Date of the Option.

(b) Each Participant awarded an Incentive Stock Option shall notify Rosetta in writing immediately after the date he or she makes a disqualifying disposition of any shares of Common Stock acquired pursuant to the exercise of such Incentive Stock Option. A disqualifying disposition is any disposition (including any sale) of such Common Stock before the later of (i) two years after the Grant Date of the Incentive Stock Option or (ii) one year after the date of exercise of the Incentive Stock Option.

7.4 Exercise of Options.

(a) Subject to the terms and conditions of the Plan, Options shall be exercised by the delivery of a written notice of exercise to Rosetta, setting forth the number of whole shares of Common Stock with respect to which the Option is to be exercised, accompanied by full payment for such shares.

(b) Upon exercise of an Option, the exercise price of the Option shall be payable to Rosetta in full either: (i) in cash or an equivalent acceptable to the Committee, or (ii) in the sole discretion of the Committee and in accordance with any applicable administrative guidelines established by the Committee, by tendering one or more nonforfeitable, unrestricted shares of Common Stock (which may in the Committee's discretion include shares then issuable upon exercise of the Option) having an aggregate Fair Market Value at the time of exercise equal to the total exercise price, or (iii) in a combination of the forms of payment specified in clauses (i) and (ii) above.

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(c) During such time as the Common Stock is registered under Section 12 of the Exchange Act, to the extent permissible under applicable law, payment of the exercise price of an Option may also be made, in the absolute discretion of the Committee, by delivery to Rosetta or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions to a broker-dealer to sell or margin a sufficient portion of the shares with respect to which the Option is exercised and deliver the sale or margin loan proceeds directly to Rosetta to pay the exercise price and any required withholding taxes.

(d) As soon as reasonably practicable after receipt of written notification of exercise of an Option and full payment of the exercise price and any required withholding taxes, Rosetta shall (i) deliver to the Participant, in the Participant's name or the name of the Participant's designee, a stock certificate or certificates in an appropriate aggregate amount based upon the number of shares of Common Stock purchased under the Option, or (ii) cause to be issued in the Participant's name or the name of the Participant's designee, in book-entry form, an appropriate number of shares of Common Stock based upon the number of shares purchased under the Option.

7.5 Termination of Employment or Service. Each Award Agreement embodying the Award of an Option shall set forth the extent to which the Participant shall have the right to exercise the Option following termination of the Participant's employment or service with the Company. Such provisions shall be determined by the Committee in its absolute discretion, need not be uniform among all Options granted under the Plan and may reflect distinctions based on the reasons for termination of employment or service. In the event a Participant's Award Agreement embodying the award of an Option does not set forth such termination provisions, the following termination provisions shall apply with respect to such Award:

(a) **Termination Other Than For Cause.** If the employment or service of a Participant shall terminate for any reason other than Cause, each outstanding Option held by the Participant may be exercised, to the extent then vested, until the earlier of (i) the expiration of one year from the date of such termination of employment or service or (ii) the expiration of the term of such Option.

(b) **Termination for Cause.** Notwithstanding subsection (a) above, if the employment or service of a Participant shall terminate for Cause, each outstanding Option held by the Participant may be exercised, to the extent then vested, until the earlier of (i) the expiration of 30 days from the date of such termination of employment or service or (ii) the expiration of the terms of such Option.

Notwithstanding the foregoing, an Option will not be treated as an Incentive Stock Option unless at all times beginning on the Grant Date and ending on the day three months (one year in the case of a Participant who is "disabled" within the meaning of Section 22(e)(3) of the Code) before the date of exercise of the Option, the Participant is an employee of Rosetta or an Affiliate (or a corporation or a parent or subsidiary corporation of such corporation issuing or assuming an option in a transaction to which Section 424(a) of the Code applies).

ARTICLE VIII. STOCK APPRECIATION RIGHTS

8.1 General. The Committee may grant Awards in the form of SARs in such numbers and at such times as it shall determine. SARs shall vest and be exercisable in whole or in such installments and at such times as may be determined by the Committee. The price at which SARs may be exercised shall be determined by the Committee but shall not be less than 100% of the Fair Market Value per share of Common Stock on the Grant Date unless the SARs were granted through the assumption of, or in substitution for, outstanding awards previously granted to individuals who became Employees as a result of a merger, consolidation, acquisition, or other corporate transaction involving the Company and comply with Section 409A of the Code. The term of each SAR shall be as specified by the Committee; provided, however, that no SARs shall be exercisable later than ten years after the Grant Date. At the time of an Award of SARs, the Committee may, in its sole discretion, prescribe additional terms, conditions, restrictions and limitations applicable to the SARs, including without limitation

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rules pertaining to the termination of employment or service (by reason of death, permanent and total disability, or otherwise) of a Participant prior to exercise of the SARs, as it determines are necessary or appropriate, provided they are not inconsistent with the Plan.

8.2 Exercise of SARs. SARs shall be exercised by the delivery of a written notice of exercise to Rosetta, setting forth the number of whole shares of Common Stock with respect to which the Award is being exercised. Upon the exercise of SARs, the Participant shall be entitled to receive an amount equal to the excess of the aggregate Fair Market Value of the shares of Common Stock with respect to which the Award is exercised (determined as of the date of such exercise) over the aggregate exercise price of such shares. Such amount shall be payable to the Participant in cash or in shares of Common Stock, as provided in the Award Agreement; provided, however, that if SARs are to be settled in cash, the SARs shall be structured to avoid negative tax consequences to the Participant under Section 409A of the Code.

ARTICLE IX. RESTRICTED STOCK

9.1 General. Awards may be granted in the form of Restricted Stock in such numbers and at such times as the Committee shall determine. The Committee shall impose such terms, conditions and restrictions on Restricted Stock as it may deem advisable, including without limitation providing for vesting upon the achievement of specified performance goals pursuant to a Performance Award and restrictions under applicable Federal or state securities laws. A Participant shall not be required to make any payment for Restricted Stock unless required by the Committee pursuant to Section 9.2.

9.2 Purchased Restricted Stock. The Committee may in its sole discretion require a Participant to pay a stipulated purchase price for each share of Restricted Stock (Purchased Restricted Stock).

9.3 Restricted Period. At the time an Award of Restricted Stock is granted, the Committee shall establish a Restricted Period applicable to such Restricted Stock. Each Award of Restricted Stock may have a different Restricted Period in the sole discretion of the Committee.

9.4 Other Terms and Conditions. Restricted Stock shall constitute issued and outstanding shares of Common Stock for all corporate purposes. Restricted Stock awarded to a Participant under the Plan shall be registered in the name of the Participant or, at the option of Rosetta, in the name of a nominee of Rosetta, and shall be issued in book-entry form or represented by a stock certificate. Subject to the terms and conditions of the Award Agreement, a Participant to whom Restricted Stock has been awarded shall have the right to receive dividends thereon during the Restricted Period, to vote the Restricted Stock and to enjoy all other stockholder rights with respect thereto, except that (i) Rosetta shall retain custody of any certificates evidencing the Restricted Stock during the Restricted Period, and (ii) the Participant may not sell, transfer, pledge, exchange, hypothecate or otherwise dispose of the Restricted Stock during the Restricted Period. A breach of the terms and conditions established by the Committee pursuant to the Award of the Restricted Stock may result in a forfeiture of the Restricted Stock. At the time of an Award of Restricted Stock, the Committee may, in its sole discretion, prescribe additional terms, conditions, restrictions and limitations applicable to the Restricted Stock, including without limitation rules pertaining to the termination of employment or service (by reason of death, permanent and total disability, retirement, cause or otherwise) of a Participant prior to expiration of the Restricted Period.

9.5 Miscellaneous. Nothing in this Article shall prohibit the exchange of shares of Restricted Stock pursuant to a plan of merger or reorganization for stock or other securities of Rosetta or another corporation that is a party to the reorganization, provided that the stock or securities so received in exchange for shares of Restricted Stock shall, except as provided in Article XIII, become subject to the restrictions applicable to such Restricted Stock. Any shares of Common Stock received as a result of a stock split or stock dividend with respect to shares of Restricted Stock shall also become subject to the restrictions applicable to such Restricted Stock.

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ARTICLE X. RESTRICTED STOCK UNITS

10.1 General. Awards may be granted in the form of Restricted Stock Units in such numbers and at such times as the Committee shall determine. The Committee shall impose such terms, conditions and restrictions on Restricted Stock Units as it may deem advisable, including without limitation prescribing the period over which and the conditions upon which a Restricted Stock Unit may become vested or be forfeited, and providing for vesting upon the achievement of specified performance goals pursuant to a Performance Award. Upon the lapse of restrictions with respect to each Restricted Stock Unit, the Participant shall be entitled to receive from the Company one share of Common Stock or an amount of cash equal to the Fair Market Value of one share of Common Stock, as provided in the Award Agreement. A Participant shall not be required to make any payment for Restricted Stock Units.

10.2 Restricted Period. At the time an Award of Restricted Stock Units is granted, the Committee shall establish a Restricted Period applicable to such Restricted Stock Units. Each Award of Restricted Stock Units may have a different Restricted Period in the sole discretion of the Committee.

10.3 Cash Dividend Rights and Dividend Unit Rights. To the extent provided by the Committee in its sole discretion, a grant of Restricted Stock Units may include a tandem Cash Dividend Right or Dividend Unit Right grant. A grant of Cash Dividend Rights may provide that such Cash Dividend Rights shall be paid directly to the Participant at the time of payment of related dividend, be credited to a bookkeeping account subject to the same vesting and payment provisions as the tandem Award (with or without interest in the sole discretion of the Committee), or be subject to such other provisions or restrictions as determined by the Committee in its sole discretion. A grant of Dividend Unit Rights may provide that such Dividend Unit Rights shall be subject to the same vesting and payment provisions as the tandem Award or be subject to such other provisions and restrictions as determined by the Committee in its sole discretion. In addition, Cash Dividend Rights and Dividend Unit Rights with respect to an Award with performance-based vesting conditions that are based on dividends paid prior to the vesting of such Award shall only be paid out to the Participant to the extent that the performance-based vesting conditions are subsequently satisfied and the related Award vests.

10.4 Other Terms and Conditions. At the time of an Award of Restricted Stock Units, the Committee may, in its sole discretion, prescribe additional terms, conditions, restrictions and limitations applicable to the Restricted Stock Units, including without limitation rules pertaining to the termination of employment or service (by reason of death, permanent and total disability, retirement, cause or otherwise) of a Participant prior to expiration of the Restricted Period. Awards of Restricted Stock Units are considered nonqualified deferred compensation subject to Section 409A of the Code and will be designed to comply with that section.

ARTICLE XI. PERFORMANCE AWARDS

11.1 General. Awards may be granted in the form of Performance Awards that may be payable in the form of cash, shares of Common Stock, or a combination of both, in such amounts and at such times as the Committee shall determine. Performance Awards shall be conditioned upon the level of achievement of one or more stated performance goals over a specified performance period that shall not be shorter than one year. Performance Awards may be combined with other Awards to impose performance criteria as part of the terms of such other Awards. Without limiting the foregoing, the Administrator may grant Performance Awards to any eligible Participant in the form of a cash bonus (annual or otherwise) payable upon the attainment of objective performance goals, or such other criteria, whether or not objective, which are established by the Committee, in each case on a specified date or dates or over any period or periods determined by the Committee. Any such bonuses paid to a Participant which are intended to satisfy the requirements for performance-based compensation under Section 162(m) of the Code (the 162(m) Requirements) shall be based upon objectively determinable bonus formulas established in accordance with the provisions of Section 11.3.

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11.2 Terms and Conditions. Each Award Agreement embodying a Performance Award shall set forth (i) the amount, including a target and maximum amount if applicable, a Participant may earn in the form of cash or shares of Common Stock or a formula for determining such amount, (ii) the performance criteria and level of achievement versus such criteria that shall determine the amount payable or number of shares of Common Stock to be granted, issued, retained and/or vested, (iii) the performance period over which performance is to be measured, (iv) the timing of any payments to be made, (v) restrictions on the transferability of the Award, and (vi) such other terms and conditions as the Committee may determine that are not inconsistent with the Plan.

11.3 Code Section 162(m) Requirements. The Committee shall determine in its sole discretion whether all or any portion of a Performance Award shall be intended to satisfy the 162(m) Requirements. The performance goals for any Performance Award that are intended to satisfy the 162(m) Requirements shall be established in writing by the Committee based on one or more performance criteria specifically identified in Section 11.4 not later than 90 days after commencement of the performance period with respect to such Award (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), provided that the outcome of the performance in respect of the goals remains substantially uncertain as of such time. At the time of the grant of a Performance Award and to the extent permitted under Code Section 162(m) and regulations thereunder for a Performance Award intended to satisfy the 162(m) Requirements, the Committee may provide for the manner in which the performance goals will be measured in light of specified corporate transactions, extraordinary events, accounting changes and other similar occurrences.

11.4 Performance Goals. The performance criteria to be used for purposes of Performance Awards may be described in terms of objectives that are related to the individual Participant or objectives that are Company-wide or related to a subsidiary, division, department, region, function or business unit of the Company in which the Participant is employed or with respect to which the Participant performs services, and may consist of one or more or any combination of the following criteria: (i) earnings or earnings per share (whether on a pre-tax, after-tax, operational or other basis), (ii) return on equity, (iii) return on assets or net assets, (iv) return on capital or invested capital and other related financial measures, (v) cash flow (whether as an absolute number or percentage change), (vi) revenues, (vii) income or operating income, (viii) expenses or expense levels, (ix) one or more operating ratios, (x) stock price, (xi) total stockholder return, (xii) market share, (xiii) operating profit, (xiv) profit margin, (xv) capital expenditures, (xvi) net borrowing, debt leverage levels, credit quality or debt ratings, (xvii) the accomplishment of mergers, acquisitions, dispositions, joint ventures, public or private offerings or other financial transactions or similar extraordinary business transactions, (xviii) net asset value per share, (xix) economic value added, (xx) individual business objectives, (xxi) growth in production, (xxii) added reserves, (xxiii) growth in reserves per share, (xxiv) inventory growth, (xxv) environmental, health and safety performance, (xxvi) effectiveness of hedging programs, (xxvii) improvements in internal controls and policies and procedures, and (xxviii) retention and recruitment of employees. Any one or more of the performance criteria may be used on an absolute or relative basis to measure the performance of the individual Participant, the Company, or a subsidiary, division, department, region, function or business unit of the Company in which the Participant is employed or with respect to which the Participant performs services, or any combination thereof, as the Committee may deem appropriate, or any of the above performance criteria may be compared to the performance of a selected group of comparison companies, or a published or special index that the Committee, in its sole discretion, deems appropriate, or as compared to various stock market indices. To the extent required under Section 162(m) of the Code, the Committee shall, within the first 90 days of a performance period (or, if longer or shorter, within the maximum period allowed under Section 162(m) of the Code), define in an objective fashion the manner of calculating the performance criteria it selects to use for such performance period and thereafter promptly communicate such performance criteria to the Participant.

11.5 Certification and Negative Discretion.

(a) **Certification.** Following the completion of a performance period and prior to the payment of any compensation pursuant to a Performance Award that is intended to satisfy the 162(m) Requirements, the Committee shall review and certify in writing whether, and to what extent, the performance goals for the

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performance period have been achieved and, if so, calculate and certify in writing that amount of the Performance Awards earned for the performance period. The Committee shall then determine the amount of each Participant's Performance Award actually payable for the performance period and, in so doing, may apply its negative discretion pursuant to subsection (b) below.

(b) **Negative Discretion.** If a Performance Award is intended to satisfy the 162(m) Requirements, the Committee in its sole discretion shall have the authority to reduce or eliminate, but not to increase, the amount payable and the number of shares to be granted, issued, retained or vested pursuant to a Performance Award.

11.6 Code Section 162(m) Approval. If so determined by the Committee, the provisions of the Plan regarding Performance Awards shall be disclosed and reapproved by shareholders no later than the first shareholder meeting that occurs in the fifth year following the year in which shareholders previously approved such provisions, in each case in order for certain Awards granted after such time to be exempt from the deduction limitations of Section 162(m) of the Code. Nothing in this Section, however, shall affect the validity of Awards granted after such time if such shareholder approval has not been obtained.

ARTICLE XII. STOCK AWARDS AND OTHER INCENTIVE AWARDS

12.1 Stock Awards. Stock Awards may be granted to Participants upon such terms and conditions as the Committee may determine. Shares of Common Stock issued pursuant to Stock Awards may be issued for cash consideration or for no cash consideration. The Committee shall determine the number of shares of Common Stock to be issued pursuant to a Stock Award.

12.2 Other Incentive Awards. Other Incentive Awards may be granted in such amounts, upon such terms and at such times as the Committee shall determine. Other Incentive Awards may be granted based upon, payable in or otherwise related to, in whole or in part, shares of Common Stock if the Committee, in its sole discretion, determines that such Other Incentive Awards are consistent with the purposes of the Plan. Each grant of an Other Incentive Award shall be evidenced by an Award Agreement that shall specify the amount of the Other Incentive Award and the terms, conditions, restrictions and limitations applicable to such Award. Payment of Other Incentive Awards shall be made at such times and in such form, which may be cash, shares of Common Stock or other property (or a combination thereof), as established by the Committee, subject to the terms of the Plan.

ARTICLE XIII. CORPORATE CHANGE

13.1 Vesting of Awards. Except as provided otherwise below in this Article or in an Award Agreement at the time an Award is granted or amended, notwithstanding anything to the contrary in this Plan, if a Participant's employment or service with the Company is terminated for any reason other than death, Cause or Inability to Perform, Total and Permanent Disability, or if a Participant voluntarily terminates employment or service for Good Reason, in either case within the two-year period following a Corporate Change of Rosetta, any time periods, conditions or contingencies relating to the exercise or realization of, or lapse of restrictions under, any Award shall be automatically accelerated or waived so that:

(a) if no exercise of the Award is required, the Award may be realized in full at the time of the occurrence of the Participant's termination of employment or service; or

(b) if exercise of the Award is required, the Award may be exercised in full commencing on the date of the Participant's termination of employment or service.

In the event all outstanding Awards are replaced in connection with a Corporate Change by comparable types of awards of at least substantially equivalent value, as determined by the Committee in its sole discretion, such

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replacement awards shall provide for automatic acceleration or waiver as provided above in the event of a Participant's involuntary termination of employment or service with the Company other than for Cause or voluntary termination of employment or service for Good Reason, as applicable.

13.2 Cancellation of Awards. Notwithstanding the foregoing, on or prior to the date of a Corporate Change, the Committee may take any of the following actions with respect to any or all outstanding Awards, without the consent of any Participant: (i) the Committee may require that Participants surrender their outstanding Options and SARs in exchange for payment by the Company, in cash, Common Stock, the securities of another company, or a combination thereof, as determined by the Committee, in an amount equal to the amount, if any, by which the then Fair Market Value of the shares of Common Stock subject to the Participant's unexercised Options and SARs exceeds the exercise price or grant price, and (ii) with respect to Participants holding Restricted Stock, Restricted Stock Units, Performance Awards or Other Incentive Awards, and related Cash Dividend Rights and Dividend Unit Rights (if applicable), the Committee may determine that such Participants shall receive payment in settlement of such Awards (and dividend rights), in an amount equivalent to the value of such Awards (and dividend rights) at the time of such settlement.

ARTICLE XIV. VESTING OF AWARDS UPON DEATH OR TOTAL AND PERMANENT DISABILITY

14.1 Vesting Upon Death. Effective with respect to an Award granted on or after January 1, 2011, an Award under this Plan shall fully vest upon the Death of a Participant if such Death occurs during the time period of the Participant's employment. In any case in which the fact of the death of the Participant is uncertain, such as where a Participant's whereabouts are unknown in circumstances that would suggest that death has occurred, the Committee may, in its sole and absolute discretion, make a determination regarding the death of the Participant. Provided, however, an Award consisting of Performance Share Units shall be fully vested under this Section taking into account Section 14.4.

14.2 Vesting Upon Total and Permanent Disability. Effective with respect to an Award granted on or after January 1, 2011, an Award under this Plan shall fully vest upon the Total and Permanent Disability of the Participant. Provided, however, an Award consisting of Performance Share Units shall be fully vested under this Section taking into account Section 14.4.

14.3 Exercise, Payment or Settlement. In the case of the vesting of an Award under this Article XIV, such Award shall be exercised, paid or settled as otherwise provided in the Award Agreement and this Plan. Awards which become vested pursuant to Section 14.1 shall be exercised pursuant to Section 16.4.

14.4 Performance Share Units Vesting Upon Death or Total and Permanent Disability. Upon the vesting under this Article XIV of Awards consisting of Performance Units in the event of vesting upon Death or Total and Permanent Disability, the following shall apply:

(a) The Participant (or the Participant's Beneficiary, in the case of death or incapacity, for purposes of this Section 14.4, the Participant) shall be entitled to receive, as soon as administratively practicable, but not later than thirty (30) days after such vesting event, Shares, cash or a combination of Shares and cash, as the Committee determines in its sole discretion, equal to the number of Performance Units that have vested pursuant to Section 14.4(b). If the Performance Units are settled in cash, in full or in part, prior to the end of the Performance Period, the cash settlement shall be based upon the Fair Market Value (as defined in the Plan) of a Share on the date of vesting. If the Performance Units are settled in cash, in full or in part, after the end of the Performance Period, the cash value shall be based on the Fair Market Value of a Share as of the last trading day of the Performance Period; and

(b) At the time of Death or Total and Permanent Disability, the Performance Objectives shall be deemed to be met at target, Transfer Restrictions shall not apply, and Service Requirements shall be deemed met.

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14.5 No Vesting Where Participant Notified of Termination for Cause Prior to Death or Total and Permanent Disability. This Article XIV shall not apply, and no vesting shall take place if the Participant has, prior Death or Total and Permanent Disability, been notified that such Participant's employment with the Company will be terminated for Cause. In the case in which a Participant has received notice of a termination for Cause, then any such Award shall be treated pursuant to the applicable provisions of this Plan relating to termination for Cause, and shall not be vested pursuant to this Article.

ARTICLE XV. AMENDMENT AND TERMINATION

15.1 Plan Amendment and Termination. The Board may at any time suspend, terminate, amend or modify the Plan, in whole or in part; provided, however, that no amendment or modification of the Plan shall become effective without the approval of such amendment or modification by the Company's stockholders if (i) such amendment or modification increases the maximum number of shares subject to the Plan (except as provided in Article IV) or changes the designation or class of persons eligible to receive Awards under the Plan, or (ii) counsel for Rosetta determines that such approval is otherwise required by or necessary to comply with applicable law or the listing requirements of NASDAQ or such other exchange or association on which the Common Stock is then listed or quoted. An amendment to the Plan shall not require stockholder approval if it curtails rather than expands the scope of the Plan, nor if it is made to conform the Plan to new statutory or regulatory requirements that arise after submission of the Plan to stockholders for their approval, such as, without limitation, changes to Section 409A of the Code, or regulations issued thereunder. Upon termination of the Plan, the terms and provisions of the Plan shall, notwithstanding such termination, continue to apply to Awards granted prior to such termination. Except as otherwise provided herein, no suspension, termination, amendment or modification of the Plan shall adversely affect in any material way any Award previously granted under the Plan, without the consent of the Participant (or the Permitted Transferee) holding such Award.

15.2 Award Amendment and Cancellation. The Committee may amend the terms of any outstanding Award granted pursuant to the Plan, but except as otherwise provided herein, no such amendment shall adversely affect in any material way the Participant's (or a Permitted Transferee's) rights under an outstanding Award without the consent of the Participant (or the Permitted Transferee) holding such Award.

ARTICLE XVI. MISCELLANEOUS

16.1 Award Agreements. After the Committee grants an Award under the Plan to a Participant, Rosetta and the Participant shall enter into an Award Agreement setting forth the terms, conditions, restrictions and limitations applicable to the Award and such other matters as the Committee may determine to be appropriate. The Committee may permit or require a Participant to defer receipt of the payment of cash or the delivery of shares of Common Stock that would otherwise be due to the Participant in connection with any Award. Awards that are not paid currently shall be recorded as payable on Rosetta's records for the Plan. The terms and provisions of the respective Award Agreements need not be identical. All Award Agreements shall be subject to the provisions of the Plan, and in the event of any conflict between an Award Agreement and the Plan, the terms of the Plan shall govern.

16.2 Listing; Suspension.

(a) As long as the Common Stock is listed on a national securities exchange or system sponsored by a national securities association, the issuance of any shares of Common Stock pursuant to an Award shall be conditioned upon such shares being listed on such exchange or system. Rosetta shall have no obligation to issue such shares unless and until such shares are so listed, and the right to exercise any Option or other Award with respect to such shares shall be suspended until such listing has been effected.

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(b) If at any time counsel to Rosetta or its Affiliates shall be of the opinion that any sale or delivery of shares of Common Stock pursuant to an Award is or may in the circumstances be unlawful or result in the imposition of excise taxes on Rosetta or its Affiliates under the laws of any applicable jurisdiction, Rosetta or its Affiliates shall have no obligation to make such sale or delivery, or to make any application or to effect or to maintain any qualification or registration under the Securities Act, or otherwise, with respect to shares of Common Stock or Awards, and the right to exercise any Option or other Award shall be suspended until, in the opinion of such counsel, such sale or delivery shall be lawful or will not result in the imposition of excise taxes on Rosetta or its Affiliates.

(c) Upon termination of any period of suspension under this Section, any Award affected by such suspension that shall not then have expired or terminated shall be reinstated as to all shares available before such suspension and as to shares that would otherwise have become available during the period of such suspension, but no such suspension shall extend the term of any Award unless otherwise determined by the Committee in its sole discretion.

16.3 Additional Conditions. Notwithstanding anything in the Plan to the contrary: (i) the Committee may, if it shall determine it necessary or desirable in its sole discretion, at the time of grant of any Award or the issuance of any shares of Common Stock pursuant to any Award, require the recipient of the Award or such shares of Common Stock, as a condition to the receipt thereof, to deliver to Rosetta a written representation of present intention to acquire the Award or such shares of Common Stock for his own account for investment and not for distribution, (ii) the certificate for shares of Common Stock issued to a Participant may include any legend that the Committee deems appropriate to reflect any restrictions on transfer, and (iii) all certificates for shares of Common Stock delivered under the Plan shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the rules, regulations and other requirements of the SEC, any stock exchange or association upon which the Common Stock is then listed or quoted, any applicable federal or state securities law, and any applicable corporate law, and the Committee may cause a legend or legends to be placed on any such certificates to make appropriate reference to such restrictions.

16.4 Transferability.

(a) All Awards granted to a Participant shall be exercisable during his lifetime only by such Participant, or if applicable, a Permitted Transferee as provided in subsection (c) of this Section; provided, however, that in the event of a Participant's legal incapacity, an Award may be exercised by his guardian or legal representative. When a Participant dies, the personal representative, beneficiary, or other person entitled to succeed to the rights of the Participant may acquire the rights under an Award. Any such successor must furnish proof satisfactory to Rosetta of the successor's entitlement to receive the rights under an Award under the Participant's will or under the applicable laws of descent and distribution.

(b) Except as otherwise provided in this Section, no Award shall be subject to execution, attachment or similar process, and no Award may be sold, transferred, pledged, exchanged, hypothecated or otherwise disposed of, other than by will or pursuant to the applicable laws of descent and distribution. Any attempted sale, transfer, pledge, exchange, hypothecation or other disposition of an Award not specifically permitted by the Plan or the Award Agreement shall be null and void and without effect.

(c) If provided in the Award Agreement, Nonqualified Stock Options may be transferred by a Participant to a Permitted Transferee. For purposes of the Plan, Permitted Transferee means (i) a member of a Participant's immediate family, (ii) any person sharing the Participant's household (other than a tenant or employee of the Participant), (iii) trusts in which a person listed in (i) or (ii) above has more than 50% of the beneficial interest, (iv) a foundation in which the Participant or a person listed in (i) or (ii) above controls the management of assets, (v) any other entity in which the Participant or a person listed in (i) or (ii) above owns more than 50% of the voting interests, provided that in the case of the preceding clauses (i) through (v), no consideration is provided for the transfer, and (vi) any transferee permitted under

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applicable securities and tax laws as determined by counsel to Rosetta. In determining whether a person is a Permitted Transferee, immediate family members shall include a Participant's child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships.

(d) Incident to a Participant's divorce, the Participant may request that Rosetta agree to observe the terms of a domestic relations order which may or may not be part of a qualified domestic relations order (as defined in Code Section 414(p)) with respect to all or a part of one or more Awards made to the Participant under the Plan. Rosetta's decision regarding such a request shall be made by the Committee, in its sole and absolute discretion, based upon the best interests of Rosetta. The Committee's decision need not be uniform among Participants. As a condition of participation, a Participant agrees to hold Rosetta harmless from any claim that may arise out of Rosetta's observance of the terms of any such domestic relations order.

16.5 Withholding Taxes. The Company shall be entitled to deduct from any payment made under the Plan, regardless of the form of such payment, the amount of all applicable income and employment taxes required by law to be withheld with respect to such payment, may require the Participant to pay to the Company such withholding taxes prior to and as a condition of the making of any payment or the issuance or delivery of any shares of Common Stock under the Plan, and shall be entitled to deduct from any other compensation payable to the Participant any withholding obligations with respect to Awards. In accordance with any applicable administrative guidelines it establishes, the Committee may allow a Participant to pay the amount of taxes required by law to be withheld from or with respect to an Award by (i) withholding shares of Common Stock from any payment of Common Stock due as a result of such Award, or (ii) permitting the Participant to deliver to the Company previously acquired shares of Common Stock, in each case having an aggregate Fair Market Value equal to the amount of such required withholding taxes. No payment shall be made and no shares of Common Stock shall be issued pursuant to any Award unless and until the applicable tax withholding obligations have been satisfied.

16.6 No Fractional Shares. No fractional shares of Common Stock shall be issued or delivered pursuant to the Plan or any Award granted hereunder, provided that the Committee in its sole discretion may round fractional shares down to the nearest whole share or settle fractional shares in cash.

16.7 Notices. All notices required or permitted to be given or made under the Plan or pursuant to any Award Agreement (unless provided otherwise in such Award Agreement) shall be in writing and shall be deemed to have been duly given or made if (i) delivered personally, (ii) transmitted by first class registered or certified United States mail, postage prepaid, return receipt requested, (iii) sent by prepaid overnight courier service, or (iv) sent by telecopy or facsimile transmission, with confirmation receipt, to the person who is to receive it at the address that such person has theretofore specified by written notice delivered in accordance herewith. Such notices shall be effective (i) if delivered personally or sent by courier service, upon actual receipt by the intended recipient, (ii) if mailed, upon the earlier of five days after deposit in the mail or the date of delivery as shown by the return receipt therefor, or (iii) if sent by telecopy or facsimile transmission, when the answer back is received. Rosetta or a Participant may change, at any time and from time to time, by written notice to the other, the address that it or such Participant had theretofore specified for receiving notices. Until such address is changed in accordance herewith, notices hereunder or under an Award Agreement shall be delivered or sent (i) to a Participant at his address as set forth in the records of the Company or (ii) to Rosetta at the principal executive offices of Rosetta clearly marked Attention: General Counsel.

16.8 Compliance with Law and Stock Exchange or Association Requirements. In addition, it is the intent of Rosetta that Options designated Incentive Stock Options comply with the applicable provisions of Section 422 of the Code, and that Awards intended to constitute qualified performance-based awards comply with the applicable provisions of Section 162(m) of the Code and that any deferral of the receipt of the payment of cash or the delivery of shares of Common Stock that the Committee may permit or require, and any Award granted that is subject to Section 409A of the Code, comply with the requirements of Section 409A of the Code.

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To the extent that any legal requirement of Section 16 of the Exchange Act or Sections 422, 162(m) or 409A of the Code as set forth in the Plan ceases to be required under Section 16 of the Exchange Act or Sections 422, 162(m) or 409A of the Code, that Plan provision shall cease to apply. Any provision of this Plan to the contrary notwithstanding, the Committee may revoke any Award if it is contrary to law, governmental regulation, or stock exchange requirements or modify an Award to bring it into compliance with any government regulation or stock exchange requirements. The Committee may agree to limit its authority under this Section.

16.9 California Blue Sky Laws. Prior to the effective registration of the Common Stock under Section 12 of the Exchange Act, (i) Rosetta shall deliver a balance sheet and an income statement at least annually to each Participant performs services in the State of California, unless such Participant is a key employee whose duties in connection with the Company assure such Participant access to equivalent information, (ii) the Compensation Committee may not impose upon any Award grant made to a Participant performs services in the State of California a vesting schedule that is more restrictive than 20 percent per year vesting, with the initial vesting to occur not later than one year after the Award's grant date; provided, however, that such vesting limitation shall not be applicable to any Award grants made to individuals who are officers of Rosetta and (iii) with respect to California Participants (including any individual whose Award is based in whole or in part on services performed in California), the Plan shall otherwise be administered in accordance with California Corporations Code section 25102(o) and California Code of Regulations, Title 10, sections 260.140.41, 260.140.42, 260.140.45, and 260.140.46.

16.10 Binding Effect. The obligations of Rosetta under the Plan shall be binding upon any successor corporation or organization resulting from the merger, consolidation or other reorganization of Rosetta, or upon any successor corporation or organization succeeding to all or substantially all of the assets and business of Rosetta. The terms and conditions of the Plan shall be binding upon each Participant and his Permitted Transferees, heirs, legatees, distributees and legal representatives.

16.11 Severability. If any provision of the Plan or any Award Agreement is held to be illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining provisions of the Plan or such agreement, as the case may be, but such provision shall be fully severable and the Plan or such agreement, as the case may be, shall be construed and enforced as if the illegal or invalid provision had never been included herein or therein.

16.12 No Restriction of Corporate Action. Nothing contained in the Plan shall be construed to prevent Rosetta or any Affiliate from taking any corporate action (including any corporate action to suspend, terminate, amend or modify the Plan) that is deemed by Rosetta or such Affiliate to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan or any Awards made or to be made under the Plan. No Participant or other person shall have any claim against Rosetta or any Affiliate as a result of such action.

16.13 Governing Law. The Plan shall be governed by and construed in accordance with the internal laws (and not the principles relating to conflicts of laws) of the State of Texas except as superseded by applicable federal law.

16.14 No Right, Title or Interest in Company Assets. No Participant shall have any rights as a stockholder of Rosetta as a result of participation in the Plan until the date of issuance of Common Stock in his name and, in the case of Restricted Stock, unless and until such rights are granted to the Participant pursuant to the Plan. To the extent any person acquires a right to receive payments from the Company under the Plan, such rights shall be no greater than the rights of an unsecured general creditor of the Company, and such person shall not have any rights in or against any specific assets of the Company. All Awards shall be unfunded.

16.15 Risk of Participation. Nothing contained in the Plan shall be construed either as a guarantee by Rosetta or the Affiliates, or their respective stockholders, directors, officers or employees, of the value of any

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assets of the Plan or as an agreement by Rosetta or the Affiliates, or their respective stockholders, directors, officers or employees, to indemnify anyone for any losses, damages, costs or expenses resulting from participation in the Plan.

16.16 No Guarantee of Tax Consequences. No person connected with the Plan in any capacity, including without limitation Rosetta and the Affiliates and their respective directors, officers, agents and employees, makes any representation, commitment or guarantee that any tax treatment, including without limitation federal, state and local income, estate and gift tax treatment, will be applicable with respect to any Awards or payments thereunder made to or for the benefit of a Participant under the Plan or that such tax treatment will apply to or be available to a Participant on account of participation in the Plan.

16.17 Continued Employment or Service. Nothing contained in the Plan or in any Award Agreement shall confer upon any Participant the right to continue in the employ or service of the Company, or interfere in any way with the rights of the Company to terminate a Participant's employment or service at any time, with or without cause. The loss of existing or potential profit in Awards will not constitute an element of damages in the event of termination of employment or service for any reason, even if the termination is in violation of an obligation of Rosetta or an Affiliate to the Participant.

16.18 Clawback. All Awards (including any proceeds, gains or other economic benefit actually or constructively received by a participant upon any receipt or exercise of any Award or upon the receipt or resale of any shares of Common Stock underlying the Award) shall be subject to the provisions of any claw-back policy implemented by the Company, including, without limitation, any claw-back policy adopted to comply with the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act and any rules or regulations promulgated thereunder, to the extent set forth in such claw-back policy and/or in the applicable Award Agreement.

16.19 Miscellaneous. Headings are given to the articles and sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction of the Plan or any provisions hereof. The use of the masculine gender shall also include within its meaning the feminine. Wherever the context of the Plan dictates, the use of the singular shall also include within its meaning the plural, and vice versa.

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04 Philip L. Frederickson " " " To ratify the appointment of PricewaterhouseCoopers LLP as the Company's independent registered public accounting firm for 2013.

05 D. Henry Houston " " "

06 Carin S. Knickel " " " **NOTE:** The shares represented by this proxy, when properly executed, will be voted in the manner directed herein by the undersigned stockholders. If no direction is made, this proxy will be voted FOR the election of all nominees under proposal 1, FOR proposal 2, FOR proposal 3, FOR proposal 4, and in the discretion of the proxies with respect to such other business as may properly come before the meeting.

07 Donald D. Patteson, Jr. " " "

The Board of Directors recommends you vote FOR

proposals 2, 3 and 4.	For	Against	Abstain
2 RESOLVED, that the stockholders of the Company approve, on an advisory basis, the compensation of the Company's named executive officers disclosed in the Compensation Discussion and Analysis, the Summary Compensation Table and the other related compensation tables, notes and narrative in the Proxy Statement for the Company's 2013 Annual Meeting of Stockholders.	"	"	"

Please sign exactly as your name(s) appear(s) hereon. When signing as attorney, executor, administrator, or other fiduciary, please give full title as such. Joint owners should each sign personally. All holders must sign. If a corporation or partnership, please sign in full corporate or partnership name, by authorized officer.

Signature [PLEASE SIGN WITHIN BOX] _____ Date _____

Signature (Joint Owners) _____

Date _____

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Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting: The Annual Report, Notice & Proxy Statement is/are available at www.proxyvote.com.

ROSETTA

RESOURCES INC.

This proxy is solicited by the

Board of Directors

Annual

Meeting of

Stockholders

5/16/2013

9:00:00 A.M. CST

The stockholder(s) hereby appoint(s) James E. Craddock and John E. Hagale, or either of them, as proxies, each with the power to appoint their substitute, and hereby authorizes them to represent and to vote, as designated on the reverse side of this ballot, all of the shares of Common Stock of ROSETTA RESOURCES INC. that the stockholder(s) is/are entitled to vote at the Annual Meeting of Stockholders to be held at 9:00:00 A.M. CST on 5/16/2013, at Heritage Plaza, Plaza Conference Room, Plaza Level, 1111 Bagby Street, Houston, Texas 77002, and any adjournment or postponement thereof, and to transact such other business as may properly come before the meeting and any adjournment or postponement thereof.

Continued and to be signed on reverse side