

The following Q2 updates from the financial Industry on how they are summarizing the Southern Alberta Basin (“SAB”) from the Q2 Operation update that **Rosetta Resources (ROSE: NASDAQ)** provided. Outlined and highlighted below are excerpts from their Analysts Reports:

### Pritchard Capital

**ROSE** – Updated Alberta Bakken type curve. We are now modeling that an Alberta Bakken well will have a gross EUR 185 MBoe (135 MBoe net) vs. 230 MBoe gross (170 MBoe net) previously, and that a well will cost \$4 millions. \$3.5 million. This is more in line with the company’s recently posted type curve. **The impact is that we are now allocating \$4/share to the Alberta Bakken in our price target vs. \$6/share previously.**

### Johnson Rice

In the **Alberta Bakken**, the company has increased its horizontal drilling program to seven wells (from three). The company will run one rig for the remainder of 2011. ROSE also outlined its assumptions in the play. The company expects 250boe/d IPs, 185 mboe EURs, 160 acre spacing and \$4mm CWC. This translates to \$21.62/boe gross F&D and 21-35% IRRs at \$85-95/bbl. While these economics are not quite up to par with the traditional Bakken or EagleFord, it is still early days. The 185 mboe EURs on 160s imply a 5% recovery of the 13-15 mmboe per section, however, in-so-much as the wells to date tend to only drain the Bakken member, this recovery is likely higher than 5% in the Bakken and lower in other member. To date, ROSE has concentrated on the Bakken member, with nine of the eleven verticals having tested only the Bakken. **On an unrisks basis, ROSE's 300k net acres would have 1,875 locations or 347 mmboe gross.**

### Global Hunter Securities

**Activity in the Alberta Basin Bakken (ABB) set to increase.** Rosetta caught us off guard by announcing data points from the vertical well program in the ABB; we were expecting this on the 3Q11 earnings call. After completing/flow testing 11 vertical wells, production averaged 20Bopd for the first seven days. Challenges were encountered during stimulation as the frac is failing to penetrate outside of the Bakken interval. As we indicated previously, optimal completion entails stimulating the Banff, Bakken and Three Forks formations, a commingled configuration. The next stage of testing will be in the form of horizontal wells; the horizontal program is increasing from three wells to seven wells by year-end.

Securing completion services appears to be a challenge, so the timing of production results is up in the air at this point. Based on vertical results, Rosetta has inferred a preliminary type curve for horizontal wells for which we can start taking a stab at economics. IP rates are assumed to be 250 Boepd with ultimate recovery reaching 185 Mboe. D&C costs are expected to run \$4MM, resulting in a \$27/Bbl F&D if we assume a 20% royalty. Taking it a step further, if we risk Rosetta's 300,000-net-acre position by 50% and configure development on 160-acre spacing, **the ABB could provide up to 175 MMboe of reserve potential which would double ROSE's current reserves.**

### **Citi Investment Research & Analysis, a division of Citigroup Global Markets**

**Alberta Bakken” Stepping Up Pace** – Rosetta also now plans to drill 7 (up from 3) horizontal test wells here this year although none has yet been tested. Based on data from 9 previous vertical tests, the company published a “threshold” type-curve for the play although it also stated that some areas will be “commercially challenged while others offer a higher chance of commerciality.” **Thus, it is still too early to declare this play a success although we attribute a risked valuation of ~\$15-20 per share.**

### **Canaccord Genuity**

The company indicated nine single-stage vertical completions in the Bakken reservoir have averaged ~22 Bopd with associated gas over the first seven days. This is two-thirds as productive as Williston Basin Bakken wells in terms of initial rate per stage. Rosetta noted test results have varied and certain areas have a higher probability of commerciality. The company plans to drill seven horizontal Alberta Basin Bakken wells this year. Early in Q4/11, Rosetta plans to complete three horizontal Bakken wells. The company indicated a horizontal Alberta Basin Bakken well (~4,000’ lateral, 16 frac stages) could commence production at 250 Boepd and recover up to 200 Mboe for a drill/complete cost of \$4+ million. By these estimates, the company believes an Alberta Basin Bakken well should generate a before tax net present value of .9 million (\$85 WTI) to \$1.9 million (\$95 WTI). This economic scenario may prove conservative as it implies a 16 Boepd/stage initial rate versus the 22Bopd average initial rate of the nine vertical tests. **Assuming 50% of the company’s 300,000 net acre Alberta Basin position is prospective for 160-acre development, Rosetta has 900+ net drilling locations with ~150 Mmboe of resource potential.**

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**Expanding Horizontal Alberta Bakken Program.** ROSE now expects to drill seven (*from three*) horizontal wells in the Southern Alberta Bakken in 2011, and anticipates having three drilled and completed early in 4Q. While the company stated that some areas appear more likely to be commercial than others, **the horizontal program is well dispersed throughout ROSE’s 300k net acres in the play indicating that vertical testing did not condemn any single part of the play.**