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Rosetta Resources Q3 2007 Earnings Call Transcript

Question-and-Answer Session

Operator

(Operator Instructions) And our first question comes from Robert Rodriguez with First Pacific Advisors.

Robert Rodriguez - First Pacific Advisors

Well. Good morning I didn't expect that. But I just really wanted to wish you welcome, Randy, and best of success in joining the organization and going forward. But I was curious if you could cover two areas for me.

One would be your consideration for acquisitions or expenditures or leverage that you might have in your mind; and secondly, if you could detail a little bit about your management package that brought you to Rosetta?

Randy Limbacher

Okay. Rob, yeah. Thanks for the well wishes. Again, I am looking forward to it. Your first question was as to what consideration we would have for acquisitions. Is that?

Robert Rodriguez - First Pacific Advisors

That's correct.

Randy Limbacher

I would say just a couple of comments. Again, it's very early days. But when I think about the acquisitions, it's all about sustainability for the company. And, so what part of the assessment will be going in is getting a real good handle on what's our, let me back up a bit. I mean there's a couple components to building a sustainable company.

Number one is the base assets, and I feel pretty good about them. I want to learn a little bit more about the drill bit inventory, but it looks to me like with we've got good running room there. And then the other areas that you have available to you are organic opportunities.

We've got a couple of nice plays that are in the Niobrara and Sabine Lake that are starting to hold a lot of promise. And then, when you get beyond that, when I look to sustainability, it's all about what can we do within our skill set as far as finding new resource plays to get into organically and building around that or going to the M&A market, as you suggest.

Right now, I would say that, again, it's all about sustainability. The world has certainly come to fully respect the acquisition of these resources, and of course the U.S. market seems to be a little bit concerned about the impact that the MLPs are going to have on that.

But I think they're probably chasing a different set of or should be chasing a different set of assets than what we would potentially be looking for. But again, I would tend to think about what are things that complement, upfront, our core areas and our core skill sets?

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