

BRAZILIAN PETROLEUM CORP

Form 6-K

May 03, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of May, 2007

Commission File Number 1-15106

PETRÓLEO BRASILEIRO S.A. - PETROBRAS

(Exact name of registrant as specified in its charter)

Brazilian Petroleum Corporation - PETROBRAS

(Translation of Registrant's name into English)

Avenida República do Chile, 65

20031-912 - Rio de Janeiro, RJ

Federative Republic of Brazil

(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ☐ No ☒

Petrobras signs agreement to increase Brazilian energy supplies

(Rio de Janeiro, May 3, 2007). PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA, BCBA: APBR/APBRA], a Brazilian international energy company, announces that it will sign a Pledge Agreement with the National Electricity Energy Agency (Aneel) to increase available generating capacity at 24 thermoelectric power plants to meet requirements, including existing contractual commitments.

The terms of the Pledge Agreement are in line with the Company's strategy of developing the Brazilian natural gas market, operating as an integrated energy company in order to assure returns on its portfolio of thermoelectric generation assets, the consolidation of which was concluded recently with the leasing of the Piratininga plant.

Petrobras' commitments under the Agreement are a component part of the Company's Business Plan for the 2007-2011 period. The Plan envisages total investments of approximately US\$ 22.1 billion to supply about 70 million cubic meters/day of domestically produced gas by 2010, import of 20 million cubic meters of LNG (Liquefied Natural Gas) by 2009, in addition to maintaining natural gas imports of 30 million cubic meters/day provided under contract with Bolivia.

Implementation of the Agreement will add generating capacity of approximately 4GW by 2011 not only through greater supplies of natural gas but also through the conversion of plants to operate on a bi-fuel basis and the engagement of fuel-oil fired plants. Initially these initiatives will increase generation capacity, and, subsequently, endow Petrobras' thermoelectric generation complex with greater operational flexibility and reliability.

Petrobras believes that these actions, allied to others, such as the formal contracting of forecast demand and an energy generation capacity reserve, will provide greater operational security to the domestic electricity supply system.

www.petrobras.com.br/ri/english

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This document may contain forecasts that merely reflect the expectations of the Company's management. Such terms as anticipate, believe, expect, forecast, intend, plan, project, seek, should, along with similar or analogous expressions, are used to identify such forecasts. These predictions evidently involve risks and uncertainties, whether foreseen or not by the Company. Therefore, the future results of operations may differ from current expectations, and readers must not base their expectations exclusively on the information presented herein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: May 03, 2007

PETRÓLEO BRASILEIRO S.A--PETROBRAS

By: /s/ Almir Guilherme Barbassa

Almir Guilherme Barbassa
Chief Financial Officer and
Investor Relations Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.
