

BRAZILIAN PETROLEUM CORP

Form 6-K

May 11, 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 ☒

Bolivia accepts Petrobras proposal for refinery sale

(Rio de Janeiro, May 10, 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 the government of Bolivia and YPFB have accepted Petrobras proposal for the sale of the Guillermo Elder Bell and Gualberto Villaroel refineries, both located in Bolivia.

Bolivia's Hydrocarbons and Energy Minister, Carlos Villegas, sent Petrobras a letter in which he agrees to the general terms Petrobras set forth for the full sale of the company's stake in the refineries for US\$112 million. The procedures for refinery control transference and the form of payment will be made formal in the upcoming days.

The value Petrobras proposed was calculated based on future cash flow, as estimated by an independent international financial institution in accordance with ordinary business practices. While the refineries were under Petrobras control, they generated positive cash flow, including dividend remittances.

The refinery value evaluation did not take the implications of the Supreme Decree, which affects the exports of reconstituted crude and white gasolines, into account.

Petrobras reasserts no change was made to the proposal it sent YPFB. It also reasserts Petrobras led the negotiations.

Petrobras, in line with its strategy of internationalizing and integrating its assets, invested in and modernized the industrial park, adapting to the Bolivian market's profile, and always focusing on profitability and on social and environmental responsibility.

While it owned the refineries, Petrobras guided its operations based on respect for the Bolivian laws and on the commitment to provide quality fuels, at the amounts required to keep its customers throughout Bolivia continuously supplied.

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 terms 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 11, 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.
