

PETROBRAS - PETROLEO BRASILEIRO SA  
Form 6-K  
November 24, 2010

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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**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 November, 2010**

**Commission File Number 1-15106**

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**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

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This report on Form 6-K is incorporated by reference in the Registration Statement on Form F-3 of Petróleo Brasileiro -- Petrobras (No. 333-163665).

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## PETROBRAS ANNOUNCES THIRD QUARTER OF 2010 RESULTS

**(Rio de Janeiro □ November 23, 2010)** Petróleo Brasileiro S.A. - Petrobras today announced its consolidated results stated in U.S. dollars, prepared in accordance with U.S. GAAP.

**Consolidated net income attributable to Petrobras reached U.S.\$4,725 million in the third quarter of 2010 and U.S.\$13,288 million in the nine-month period ended September 30, 2010.**

### HIGHLIGHTS

2Q-2010	3Q-2010	3Q-2009		For the nine-month periods ended September 30,	
4,246	4,725		<b>Consolidated net income attributable to Petrobras</b>	13,288	10,361
2,587	2,570	3,734	<b>Total domestic and international oil and natural gas production (m bbl/d)</b>	2,568	2,513
8,228	7,638	2,534	<b>Adjusted EBITDA</b>	24,218	20,756
		7,274			

**Consolidated net income attributable to Petrobras for the third quarter of 2010 increased 11.3% compared to the second quarter of 2010, primarily due to**

**higher domestic sales volumes and improved net financial income.**

**Domestic oil and natural gas production for the nine-month period ended September 30, 2010 increased 1.9% compared to the nine-month period ended September 30, 2009. Domestic natural gas production reached a production record of 53,773 thousand m<sup>3</sup>/day in September 2010.**

**The completion of the global public offering of our common and preferred shares (the Global Offering) resulted in a capital increase of U.S.\$70,005 million.**

□ **Generation of the resources needed for the celebration of the assignment agreement (U.S.\$43,868 million) and for the continuity of the Business Plan for 2010 through 2014 (U.S.\$26,691 million in cash and in Brazilian treasury securities).**

□ **The Brazilian economy growth and lower reservoir levels, together with the improvement of logistics capacity, generated the record of natural gas thermoelectric production in September 2010 (6,252 MW in average) and natural gas sales in the third quarter of 2010 (360 thousand barrels of oil equivalent per day).**

□ **In October 2010 the platform-ship Cidade de Angra dos Reis started-up its production, which represents the first definitive production system in Tupi, then initiating the crude oil commercial production at the pre-salt layer of Santos Basin.**

***www.petrobras.com.br/ri/english***

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This document may contain forward-looking statements about future events that are not based on historical facts and are not assurances of future results. Such forward-looking statements merely reflect the Company's current views and estimates of future economic circumstances, industry conditions, company performance and financial results. Such terms as anticipate, believe, expect, forecast, intend, plan, seek, should, along with similar or analogous expressions, are used to identify such forward-looking statements. Readers are cautioned that these statements are only projections and may differ materially from actual future results or events. Readers are referred to the documents filed by the Company with the SEC, specifically the Company's most recent Annual Report on Form 20-F, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including, among other things, risks relating to general economic and business conditions, including crude oil and other commodity prices, refining margins and prevailing exchange rates, uncertainties inherent in making estimates of our oil and gas reserves including recently discovered oil and gas reserves, international and Brazilian political, economic and social developments, natural disasters and accidents, receipt of governmental approvals and licenses and our ability to obtain financing. All forward-looking statements are qualified in their entirety by this cautionary statement. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.

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**Comments from the CEO**

**Mr. José Sergio Gabrielli de Azevedo**

Dear Shareholders and Investors,

It is with great pride that we announce our results for the third quarter of 2010, the period in which we carried out our biggest ever public offering of shares. The success of our Global Offering was due to the confidence of our shareholders and investors, the Company's excellent reputation in the capital markets and our commitment to transparency and investor returns.

We allocated part of the proceeds of our public offering to pay the initial purchase price of an assignment agreement with the Brazilian federal government, which gives us the right to produce up to five billion barrels of oil equivalent in specified pre-salt areas that were not under concession. Access to these additional oil and gas volumes will allow us to improve our portfolio through sustainable production growth while simultaneously creating greater shareholder value.

As a result of the Global Offering, our net debt decreased 36.0% to U.S.\$33,155 million in the nine-month period ended September 30, 2010 compared to U.S.\$51,772 million in the first half of 2010. Our capital stock increased from U.S.\$39,741 million on June 30, 2010 to U.S.\$106,655 million on September 30, 2010. Our financial plan is based on maintaining leverage ratios within specified target levels and will enable the Company to use the proceeds of the Global Offering to become stronger and carry out its business plan. According to Platts, an energy consultancy, Petrobras is currently ranked fourth among the world's 250 leading energy firms.

Net income grew by 28.3% year-on-year in the first nine months of 2010, sustained primarily by increased oil and gas production, higher commodity prices and higher oil product sales volumes fueled by Brazil's economic growth. Capital expenditures in the nine-month period ended September 30, 2010 totaled U.S.\$33,394 million, most of which were directed to our exploration and production segment. To maintain the integration of our businesses and maximize the resulting operational synergies, we are upgrading our existing refineries to produce cleaner fuels and constructing new ones to accompany market growth.

In October, we commemorated 57 years of successful operations. In the same month, we inaugurated the expansion of the Leopoldo Américo Miguez de Mello Research and Development Center (Cenpes), a landmark in the Company's technological history. Latin America's biggest R&D center, and Brazil's leading source of patents in the last ten years, Cenpes doubled in size to become one of the world's largest applied research institutes. This expansion, together with our partnerships with universities and research centers around the country, has made Brazil one of the best experimental centers in the world in the field of energy. Our strategy to consistently invest in research and technology has enabled us to produce oil offshore at enormous depths and led to pre-salt discoveries.

On October 22, we concluded drilling the ninth pre-salt well in the Tupi area of the Santos Basin, confirming light crude oil potential and the recovery of natural gas. October also saw the start-up of the Tupi pilot project, the first dedicated production system installed in the pre-salt area. It will produce light crude with a high commercial value and collect vital technical data for the future development of the major crude oil reserves in this region.

Aiming at growth, innovation, profitability and social and environmental responsibility, we will continue to invest our funds in one of the best project portfolios and opportunities at oil and gas sector, generating returns for our shareholders and investors, as well as benefiting society as a whole.

## FINANCIAL HIGHLIGHTS

## Net Income and Consolidated Financial and Economic Indicators

			For the nine-month periods ended September 30,		
2Q-2010	3Q-2010	3Q-2009	<u>Income statement data</u>		
			<u>(in millions of U.S. dollars, except for per share and per ADS data)</u>		
36,928	38,859	32,488	<b>Sales of products and services</b>	110,407	82,388
29,624	30,881	25,875	<b>Net operating revenues</b>	88,064	65,669
6,216	5,785	5,281	<b>Operating income</b>	18,210	16,097
(401)	1,206	594	<b>Financial income (expense), net</b>	527	34
4,246	4,725	3,734	<b>Net income attributable to Petrobras</b>	13,288	10,361
			<b>Basic and diluted earnings per</b>		
0.48	0.53	0.43	<b>common and preferred share</b>	1.51	1.18
0.96	1.06	0.86	<b>Basic and diluted earnings per ADS</b>	3.02	2.36
			<u>Uses of funds capital expenditures per segment</u>		
			<u>(in millions of U.S. dollars)</u>		
			<b>Exploration and production</b>	17,610	11,522
			<b>Refining, transportation and marketing</b>	10,183	6,607
			<b>Gas and power</b>	3,084	3,653
			<b>International:</b>		
			<b>Exploration and production</b>	1,473	1,346
			<b>Refining, transportation and marketing</b>	56	86
			<b>Distribution</b>	26	7
			<b>Gas and power</b>	7	45
			<b>Distribution</b>	256	243



			<b>Corporate</b>	699	840
			<b>Total capital expenditures</b>	33,394	24,349
			<b><u>Other data</u></b>		
41.1	40.2	44.5	<b>Gross margin (%) <sup>(1)</sup></b>	41.9	46.3
21.0	18.7	20.4	<b>Operating margin (%) <sup>(2)</sup></b>	20.7	24.5
14.3	15.3	14.4	<b>Net margin (%) <sup>(3)</sup></b>	15.1	15.8
8,228	7,638	7,274	<b>Adjusted EBITDA</b>	24,218	20,756
54	41	52	<b>Debt to equity ratio (%) <sup>(4)</sup></b>	41	52

**Financial and economic indicators**