

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
May 05, 2010

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, 2010

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 invests in biodiesel production in Pará

Rio de Janeiro, May 5, 2010 - Petróleo Brasileiro S.A. - Petrobras announces a new project to produce biodiesel from palm oil (dendê) by building a self-owned biodiesel plant in the state of Para expected to start up in July 2013. On May 3rd, Petrobras announced another biodiesel project in partnership with Galp Energia.

The sustainable palm biodiesel production project in Pará foresees the deployment of a biodiesel plant with capacity to produce 120 million liters of biodiesel per year to supply Northern Brazil. With investments estimated at R\$330 million, of which approximately R\$240 million in agriculture and about R\$90 million in the industrial plant, the project also includes palm oil extraction industrial complexes, including crushers and a power cogeneration unit.

In 2010, 1.1 million palm seeds will be acquired to start producing seedlings in nurseries. Seedling planting in the production areas is planned for December 2011, and harvest is expected to start as of 2014.

The biodiesel plant supply strategy foresees planting palm in eroded areas, working in one of the regions most affected by deforestation in the State of Pará. As a result, the projects will afford environmental benefits with the recovery of these areas, providing protection to the soil, ecological balance and the economic reintegration of these regions, in addition to contributing to the reduction of greenhouse gases in the vegetable oil production cycle and in biodiesel production.

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This document may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) 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 forward-looking statements. 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.

