

BRAZILIAN PETROLEUM CORP
Form 6-K
June 23, 2005

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 June, 2005

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
20035-900 - 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

Project for polypropylene production in São Paulo

(Rio de Janeiro, June 22, 2005). PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA], a Brazilian international energy announces that its Executive Board approved in May 12, 2005, and the Board of Directors of its subsidiary, Petrobras Química S.A. (Petroquisa), ratified, today, an association with BRASKEM S.A. (Braskem) to invest in a modern and competitive unit for the production and sale of polypropylene (the Association). This association is included in the Company s Strategic Plan, that has an objective for the petrochemical segment to expand selectively its participation in the Brazilian and South Cone petrochemical market, with emphasis on new projects to serve growth in the Brazilian market and, in this case, aim at meeting the growing demand for polypropylene, focusing on production costs competitiveness and on value creation for shareholders.

The Association will be formalized through a new partnership, of which voting capital will be held by Braskem (60%) and Petroquisa (40%). The new partnership will be jointly managed by both shareholders.

The new industrial unit will be built in the city of Paulínia, state of São Paulo, and will use polymer-grade propylene, to be supplied by Petrobras, as raw material. Operations are scheduled to start by the end of 2007, with an initial production of 300,000 tons/year.

Investments in the new industrial unit are estimated at US\$ 240 million, made up by approximately 30% of equity capital and 70% of long term financing.

<http://www.petrobras.com.br/ri/english>

Contacts:

Petróleo Brasileiro S.A PETROBRAS
Investor Relations Department
Raul Adalberto de Campos Executive Manager
E-mail: petroinvest@petrobras.com.br
Av. República do Chile, 65 - 4th floor
20031-912 Rio de Janeiro, RJ
(55-21) 3224-1510 / 9947

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 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: June 22, 2005

PETRÓLEO BRASILEIRO S.A--PETROBRAS

By: */s/ José Sergio Gabrielli de
Azevedo*

**José Sergio Gabrielli de
Azevedo
Chief Financial Officer and
Investor Relations Director**

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.
