

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
July 30, 2009

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 July, 2009

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

**Memorandum of Understanding with Vale for
Exploration in the State of Espírito Santo**

Rio de Janeiro, June 25, 2009 PETRÓLEO BRASILEIRO S/A - PETROBRAS, informs that it has signed today a Memorandum of Understanding with Vale S.A. which establishes the framework for a partnership to explore and produce oil and natural gas in part of BM-ES-22 concession, located off the northern coast of the state of Espírito Santo.

This concession is formed by ES-M-466, ES-M-468, ES-M-527 and ES-M-523 blocks, acquired by Petrobras at National Petroleum Agency (ANP) sixth bidding round. The blocks are situated at water depths of between one and two thousand meters and exploration is focused on the post-salt section.

The object of the Memorandum is to establish the basis to negotiate the transfer of 25% working interest in the blocks ES-M 466, ES-M-468 and ES-M-527 to Vale and assure the exclusive right to Vale to acquire the participation of these blocks during the tenor of the Memorandum. The final conditions of the negotiation have to be submitted for the approval of the ANP.

The joint participation in the BM-ES-22 concession will be add to the partnerships already set with Vale in 22 other exploratory blocks located in Espírito Santo and Santos basins, and in the offshore (Pará-Maranhão Basin) and onshore (Parnaíba Basin) frontier exploration areas.

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.

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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: July 30, 2009

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.
