

PETROBRAS INTERNATIONAL FINANCE CO
Form 20-F
May 26, 2011

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

ANNUAL REPORT

PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

for the fiscal year ended December 31, 2010

Commission File Number 001-15106

Commission File Number: 001-33121

Petróleo Brasileiro S.A.—Petrobras

Petrobras International Finance Company

**(Exact name of registrant as specified in
its charter)**

**(Exact name of registrant as specified in
its charter)**

Brazilian Petroleum Corporation—Petrobras

**(Translation of registrant's name into
English)**

The Federative Republic of Brazil

Cayman Islands

**(Jurisdiction of incorporation or
organization)**

**(Jurisdiction of incorporation or
organization)**

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Securities registered or to be registered pursuant to Section 12(b) of the Act:

<u>Title of each class:</u>	<u>Name of each exchange on which registered:</u>
Petrobras Common Shares, without par value* Petrobras American Depositary Shares, or ADSS (evidenced by American Depositary Receipts, or ADRs), each representing 2 Common Shares	New York Stock Exchange* New York Stock Exchange
Petrobras Preferred Shares, without par value* Petrobras American Depositary Shares (as evidenced by American Depositary Receipts), each representing 2 Preferred Shares	New York Stock Exchange* New York Stock Exchange
6.125% Global Notes due 2016, issued by PifCo	New York Stock Exchange
3.875% Global Notes due 2016, issued by PifCo	New York Stock Exchange
5.875% Global Notes due 2018, issued by PifCo	New York Stock Exchange
7.875% Global Notes due 2019, issued by PifCo	New York Stock Exchange
5.75% Global Notes due 2020, issued by PifCo	New York Stock Exchange
5.375% Global Notes due 2021, issued by PifCo	New York Stock Exchange
6.875% Global Notes due 2040, issued by PifCo	New York Stock Exchange
6.750% Global Notes due 2041, issued by PifCo	New York Stock Exchange

* Not for trading, but only in connection with the registration of American Depositary Shares pursuant to the requirements of the New York Stock Exchange.

Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

TITLE OF EACH CLASS:

9.750% Senior Notes due 2011, issued by PifCo

9.125% Global Notes due 2013, issued by PifCo

7.75% Global Notes due 2014, issued by PifCo

8.375% Global Notes due 2018, issued by PifCo

The number of outstanding shares of each class of stock of Petrobras and PifCo as of December 31, 2010 was:

7,442,454,142 Petrobras Common Shares, without par value

5,602,042,788 Petrobras Preferred Shares, without par value

300,050,000 PifCo Common Shares, at par value U.S.\$1 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined by Rule 405 of the Securities Act.

Yes R No £

If this report is an annual or transitional report, indicate by check mark if the registrant is not required to file reports pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934.

Yes £ No R

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes R No £

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes R [Petrobras] No £

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of “accelerated filer” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [Petrobras] **Accelerated filer** £ **Non-accelerated filer** R [PifCo]

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S.GAAP R **International Financial Reporting Standards as issued by the International Accounting Standards Board** £ **Other** £

If “Other” has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 £ **Item 18** £

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes £ **No** R

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FORWARD-LOOKING STATEMENTS

Many statements made in this annual report are 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 are not based on historical facts and are not assurances of future results. Many of the forward-looking statements contained in this annual report may be identified by the use of forward-looking words, such as “believe,” “expect,” “anticipate,” “should,” “planned,” “estimate” and “potential,” among others. We have made forward-looking statements that address, among other things:

- our marketing and expansion strategy;
- our exploration and production activities, including drilling;
- our activities related to refining, import, export, transportation of petroleum, natural gas and oil products, petrochemicals, power generation, biofuels and other sources of renewable energy;
- our projected and targeted capital expenditures and other costs, commitments and revenues;
- our liquidity and sources of funding;
- development of additional revenue sources; and
- the impact, including cost, of acquisitions.

Our forward-looking statements are not guarantees of future performance and are subject to assumptions that may prove incorrect and to risks and uncertainties that are difficult to predict. Our actual results could differ materially from those expressed or forecast in any forward-looking statements as a result of a variety of factors. These factors include, among other things:

- our ability to obtain financing;
- general economic and business conditions, including crude oil and other commodity prices, refining margins and prevailing exchange rates;
- our ability to find, acquire or gain access to additional reserves and to develop our current reserves successfully;
- global economic conditions;
- our ability to find, acquire or gain access to additional reserves and to develop our current reserves successfully;

- uncertainties inherent in making estimates of our oil and gas reserves, including recently discovered oil and gas reserves;
- competition;
- technical difficulties in the operation of our equipment and the provision of our services;
- changes in, or failure to comply with, laws or regulations;
- receipt of governmental approvals and licenses;

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- international and Brazilian political, economic and social developments;
- natural disasters, accidents, military operations, acts of sabotage, wars or embargoes;
- the cost and availability of adequate insurance coverage; and
- other factors discussed below under “Risk Factors.”

For additional information on factors that could cause our actual results to differ from expectations reflected in forward-looking statements, please see “Risk Factors” in this annual report.

All forward-looking statements attributed to us or a person acting on our behalf 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.

The crude oil and natural gas reserve data presented or described in this annual report are only estimates and our actual production, revenues and expenditures with respect to our reserves may materially differ from these estimates.

This is the annual report of both Petr leo Brasileiro S.A.—Petrobras (Petrobras) and its direct wholly owned Cayman Islands subsidiary, Petrobras International Finance Company (PifCo). PifCo’s operations, which consist principally of purchases and sales of crude oil and oil products, are described in further detail below.

Unless the context otherwise requires, the terms “Petrobras,” “we,” “us,” and “our” refer to Petr leo Brasileiro S.A.—Petrobras and its consolidated subsidiaries and special purpose companies, including Petrobras International Finance Company. The term “PifCo” refers to Petrobras International Finance Company and its subsidiaries.

GLOSSARY OF PETROLEUM INDUSTRY TERMS

Unless the context indicates otherwise, the following terms have the meanings shown below:

ANEEL	The <i>Agência Nacional de Energia Elétrica</i> (National Electrical Energy Agency), or ANEEL, is the federal agency that regulates the electricity industry in Brazil.
ANP	The <i>Agência Nacional de Petróleo, Gás Natural e Biocombustíveis</i> (National Petroleum, Natural Gas and Biofuels Agency), or ANP, is the federal agency that regulates the oil, natural gas and renewable fuels industry in Brazil.
API°	Standard measure of oil density developed by the American Petroleum Institute.
Barrels	Barrels of crude oil.
BSW	Basic sediment and water, a measurement of the water and sediment content of flowing crude oil.
Catalytic cracking	A process by which hydrocarbon molecules are broken down (cracked) into lighter fractions by the action of a catalyst.
Coker	A vessel in which bitumen is cracked into its fractions.
Condensate	Light hydrocarbon substances produced with natural gas, which condense into liquid at normal temperature and pressure.
CNPE	The <i>Conselho Nacional de Política Energética</i> (National Energy Policy Council), or CNPE, is an advisory body of the President of the Republic responsible for formulating energy policies and guidelines.
Deep water	Between 300 and 1,500 meters (984 and 4,921 feet) deep.
Distillation	A process by which liquids are separated or refined by vaporization followed by condensation.
EWT	Extended well test.
Exploration Area	A region in Brazil under a regulatory contract without a known hydrocarbon accumulation or with a hydrocarbon accumulation that has not yet been declared commercial.
FPSO	Floating Production, Storage and Offloading Unit.
Heavy crude oil	Crude oil with API density less than or equal to 22°.
Intermediate crude oil	Crude oil with API density higher than 22° and less than or equal to 31°.
Light crude oil	Crude oil with API density higher than 31°.
LNG	Liquefied natural gas.
LPG	Liquefied petroleum gas, which is a mixture of saturated and unsaturated hydrocarbons, with up to five carbon atoms, used as domestic fuel.

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MME	The federal Ministry of Mines and Energy, or MME.
NGLs	Natural gas liquids, which are light hydrocarbon substances produced with natural gas, which condense into liquid at normal temperature and pressure.
Oil	Crude oil, including NGLs and condensates.
Pre-salt reservoir	A geological formation containing oil or natural gas deposits located beneath an evaporitic layer.
Post-salt reservoir	A geological formation containing oil or natural gas deposits located above an evaporitic layer.
Proved reserves	Consistent with the definitions in the SEC's Amended Rule 4-10(a) of Regulation S-X, proved oil and gas reserves are those quantities of oil and gas, which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible – from a given date forward, from known reservoirs, and under existing economic conditions, operating methods, and government regulations. Existing economic conditions include prices and costs at which economic producibility from a reservoir is to be determined. The price is the average price during the 12-month period prior to December 31, 2010, unless prices are defined by contractual arrangements, excluding escalations based upon future conditions. The project to extract the hydrocarbons must have commenced or we must be reasonably certain that we will commence the project within a reasonable time.
Proved developed reserves.	Reserves which can be produced economically through application of improved recovery techniques (such as fluid injection) are included in the "proved" classification when successful testing by a pilot project, or the operation of an installed program in the reservoir, provides support for the engineering analysis on which the project or program was based. Proved developed reserves are reserves that can be expected to be recovered: (i) through existing wells with existing equipment and operating methods or in which the cost of the required equipment is relatively minor compared to the cost of a new well; and (ii) through installed extraction equipment and infrastructure operational at the time of the reserves estimate if the extraction is by means not involving a well.

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Proved undeveloped reserves	<p>Proved undeveloped reserves are reserves that are expected to be recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those directly offsetting development spacing areas that are reasonably certain of production when drilled, unless evidence using reliable technology exists that establishes reasonable certainty of economic producibility at greater distances.</p> <p>Undrilled locations are classified as having undeveloped reserves only if a development plan has been adopted indicating that they are scheduled to be drilled within five years, unless the specific circumstances justify a longer time. Proved undeveloped reserves do not include reserves attributable to any acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual projects in the same reservoir or an analogous reservoir or by other evidence using reliable technology establishing reasonable certainty.</p>
SS	Semi-submersible unit.
Synthetic oil and synthetic gas	A mixture of hydrocarbons derived by upgrading (i.e., chemically altering) natural bitumen from oil sands, kerogen from oil shales, or processing of other substances such as natural gas or coal. Synthetic oil may contain sulfur or other non-hydrocarbon compounds and has many similarities to crude oil.
TLWP	Tension Leg Wellhead Platform.
Total depth	Total depth of a well, including vertical distance through water and below the mudline.
Ultra-deep water	Over 1,500 meters (4,921 feet) deep.

CONVERSION TABLE

1 acre	= 0.004047 km ²	
1 barrel	= 42 U.S. gallons	= Approximately 0.13 t of oil
1 boe	= 1 barrel of crude oil equivalent	= 6,000 cf of natural gas
1 m ³ of natural gas	= 35.315 cf	= 0.0059 boe
1 km	= 0.6214 miles	
1 km ²	= 247 acres	
1 meter	= 3.2808 feet	
1 t of crude oil	= 1,000 kilograms of crude oil	= Approximately 7.5 barrels of crude oil (assuming an atmospheric pressure index gravity of 37° API)

ABBREVIATIONS

bbbl	Barrels
bn	Billion (thousand million)
bnbbbl	Billion barrels
bncf	Billion cubic feet
bnm ³	Billion cubic meters
boe	Barrels of oil equivalent
bbbl/d	Barrels per day
cf	Cubic feet
GOM	Gulf of Mexico
GW	Gigawatts
GWh	One gigawatt of power supplied or demanded for one hour
km	Kilometer
km ²	Square kilometers
m ³	Cubic meter
mbbl	Thousand barrels
mbbl/d	Thousand barrels per day
mboe	Thousand barrels of oil equivalent
mboe/d	Thousand barrels of oil equivalent per day
mcf	Thousand cubic feet
mcf/d	Thousand cubic feet per day
mm ³	Thousand cubic meters
mm ³ /d	Thousand cubic meters per day
mmbbl	Million barrels
mmbbl/d	Million barrels per day
mmboe	Million barrels of oil equivalent
mmboe/d	Million barrels of oil equivalent per day
mmcf	Million cubic feet
mmcf/d	Million cubic feet per day
mmm ³	Million cubic meters
mmm ³ /d	Million cubic meters per day
mmt/y	Million metric tons per year
MW	Megawatts
MWavg	Amount of energy (in MWh) divided by the time (in hours) in which such energy is produced or consumed
MWh	One megawatt of power supplied or demanded for one hour
ppm	Parts per million
P\$	Argentine pesos
R\$	Brazilian <i>reais</i>
t	Metric ton
tcf	Trillion cubic feet
U.S.\$	United States dollars
/d	Per day
/y	Per year

PRESENTATION OF FINANCIAL INFORMATION

In this annual report, references to “*real*,” “*reais*” or “R\$” are to Brazilian and references to “U.S. dollars” or “U.S.\$” are to the United States dollars. Certain figures included in this annual report have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an exact arithmetic aggregation of the figures that precede them.

Petrobras

The audited consolidated financial statements of Petrobras and our consolidated subsidiaries as of December 31, 2010 and 2009, and for each of the three years in the period ended December 31, 2010, and the accompanying notes, contained in this annual report have been presented in U.S. dollars and prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP. See Item 5. “Operating and Financial Review and Prospects” and Note 2(a) to our audited consolidated financial statements. U.S. GAAP differs in certain respects from International Financial Reporting Standards (IFRS), as issued by the International Financial Reporting Standards Board (IASB) and applied by Petrobras in its statutory financial statements prepared in accordance with Brazilian Corporate Law and regulations promulgated by the Brazilian Securities and Exchange Commission (CVM). Brazilian Corporate Law was amended in 2007 to permit accounting practices adopted in Brazil (Brazilian GAAP) to converge with IFRS. We have prepared our consolidated financial statements, in *reais*, in accordance with IFRS beginning with the three-month period ended March 31, 2010. We are currently evaluating the possibility of discontinuing U.S. GAAP reporting and adopting IFRS as issued by the IASB as the basis for the audited consolidated financial statements contained in our annual report on Form 20-F for the year ended December 31, 2011.

Our functional currency is the Brazilian *real*. As described more fully in Note 2(a) to our audited consolidated financial statements, the U.S. dollar amounts as of the dates and for the periods presented in our audited consolidated financial statements have been recalculated or translated from the *real* amounts in accordance with the criteria set forth in Accounting Standard Codification – ASC Topic 830 – Foreign Currency Matters. U.S. dollar amounts presented in this annual report have been translated from *reais* at the period-end exchange rate for balance sheet items and the average exchange rate prevailing during the period for income statement and cash flow items.

Unless the context otherwise indicates:

- historical data contained in this annual report that were not derived from the audited consolidated financial statements have been translated from *reais* on a similar basis;
- forward-looking amounts, including estimated future capital expenditures, have all been based on our Petrobras 2020 Strategic Plan, which covers the period from 2009 to 2020, and on our 2010-2014 Business Plan, and have been projected on a constant basis and have been translated from *reais* at an estimated average exchange rate of R\$1.78 to U.S.\$1.00, in accordance with our 2010-2014 Business Plan. In addition, in accordance with our 2010-2014 Business

Plan and our 2011 Annual Business Plan, future calculations involving an assumed price of crude oil have been calculated using a Brent crude oil price of U.S.\$93 per barrel for 2011, U.S.\$82 per barrel for 2012, U.S.\$82 per barrel for 2013, U.S.\$82 per barrel for 2014 and U.S.\$82 per barrel for 2015 adjusted for our quality and location differences, unless otherwise stated; and

- estimated future capital expenditures are based on the most recently budgeted amounts, which may not have been adjusted to reflect all factors that could affect such amounts.

PifCo

PifCo's functional currency is the U.S. dollar. Substantially all of PifCo's sales are made in U.S. dollars and all of its debt is denominated in U.S. dollars. Accordingly, PifCo's audited consolidated financial statements as of December 31, 2010 and 2009, and for each of the three years in the period ended December 31, 2010, and the accompanying notes contained in this annual report have been presented in U.S. dollars and prepared in accordance with U.S. GAAP and include PifCo's wholly owned subsidiaries: Petrobras Europe Limited (PEL), Petrobras Finance Limited (PFL), Bear Insurance Company Limited (BEAR) and Petrobras Singapore Private Limited (PSPL).

RECENT DEVELOPMENTS

Global Offering of Shares

On September 29, 2010, we issued 2,293,907,960 common shares, including common shares in the form of American Depositary Shares (ADSs), and 1,788,515,136 preferred shares, including preferred shares in the form of ADSs, in a global public offering consisting of a registered offering in Brazil and an international offering, which included a registered offering in the United States. On October 1, 2010, we issued an additional 75,198,838 common shares (including common shares in the form of ADSs) and 112,798,256 preferred shares (including preferred shares in the form of ADSs) pursuant to the exercise of the underwriters' over-allotment option. The aggregate proceeds of the global offering to us, after underwriting discounts and commissions and including the exercise of the underwriters' over-allotment option, was approximately U.S.\$70 billion. We applied the net proceeds from the global offering to pay the initial purchase price under the Assignment Agreement described below and to continue to develop all of our business segments in accordance with Petrobras' 2010-2014 Business Plan.

Assignment Agreement (*Cessão Onerosa*)

On September 3, 2010, we entered into an agreement with the Brazilian federal government (the Assignment Agreement), under which the government assigned to us the right to conduct activities for the exploration and production of oil, natural gas and other fluid hydrocarbons in specified pre-salt areas, subject to a maximum production of five billion barrels of oil equivalent. For further information on the Assignment Agreement, see Item 10. "Material contracts—Petrobras—Assignment Agreement."

PRESENTATION OF INFORMATION CONCERNING RESERVES

Petrobras continues to utilize the SEC rules for estimating and disclosing oil and gas reserve quantities included in this annual report. In accordance with these rules, adopted by Petrobras at year-end 2009, the year-end 2010 and 2009 reserve volumes have been estimated using the average prices calculated as the unweighted arithmetic average of the first-day-of-the-month price for each month within the 12-month period prior to the end of the reporting period include non-traditional reserves, such as synthetic oil and gas. Year-end 2008 reserve volumes were estimated using year-end prices. In addition, the amended rules also adopted a reliable technology definition that permits reserves to be added based on field-tested technologies. The adoption of the SEC's rules for estimating and disclosing oil and gas reserves and the FASB's issuance of the Accounting Standards Update No. 2010-03 "Oil and Gas Reserve Estimation and Disclosure" in December 2010 generated no material impact on our reported reserves or on our consolidated financial position or results of operations. DeGolyer and MacNaughton (D&M) provided estimates of most of our net domestic reserves as of December 31, 2010. D&M also provided estimates of most of our net international reserves where we are the operator as of December 31, 2010. All reserve estimates involve some degree of uncertainty. See Item 3. "Key Information—Risk Factors—Risks Relating to Our Operations" for a description of the risks relating to our reserves and our reserve estimates.

On January 14, 2011, we filed reserve estimates for Brazil with the ANP, in accordance with Brazilian rules and regulations, totaling 12.91 billion barrels of crude oil and condensate and 14.24 trillion cubic feet of natural gas. The reserve estimates filed with the ANP and those provided herein differ by approximately 25.9%. This difference is due to: (i) the ANP requirement to estimate proved reserves through the technical-economical abandonment of production wells, as opposed to limiting reserve estimates to the life of the concession contracts as required by Rule 4-10 of Regulation S-X; and (ii) different technical criteria for booking proved reserves, including the use of current oil prices as opposed to the SEC requirement that the 12-month average price be used to determine the economic producibility of reserves in Brazil.

We also file reserve estimates from our international operations with various governmental agencies under the guidelines of the Society of Petroleum Engineers, or SPE. The aggregate reserve estimates from our international operations, under SPE guidelines, amounted to 0.47 billion barrels of crude oil and NGLs and 1,406 billion cubic feet of natural gas, which is approximately 15% higher than the reserve estimates calculated under Regulation S-X, as provided herein. This difference occurs because of different technical criteria for booking proved reserves, including the use of current oil prices as opposed to the SEC requirement that the 12-month average price be used to determine the economic producibility of international reserves. In addition, we have not yet included all volumes from the Gulf of Mexico fields because there is no production history available for analogous reservoirs.

PART I

Item 1. Identity of Directors, Senior Management and Advisers

Not applicable.

Item 2. Offer Statistics and Expected Timetable

Not applicable.

Item 3. Key Information

Selected Financial Data

Petrobras

The following tables set forth our selected consolidated financial data, presented in U.S. dollars and prepared in accordance with U.S. GAAP. The data for each of the five years in the period ended December 31, 2010 has been derived from our audited consolidated financial statements, which were audited by KPMG Auditores Independentes for the years ended December 31, 2010, 2009, 2008, 2007 and 2006. The information below should be read in conjunction with, and is qualified in its entirety by reference to, our audited consolidated financial statements and the accompanying notes and Item 5. "Operating and Financial Review and Prospects." Certain prior year amounts for 2009, 2008, 2007 and 2006 have been reclassified to conform to current year presentation standards. These reclassifications had no impact on our net income or any material effect on our consolidated financial statements.

BALANCE SHEET DATA—PETROBRAS

	As of December 31,				
	2010	2009	2008	2007	2006
	(U.S.\$ million)				
Assets:					
Total current assets	63,863	42,644	26,758	29,140	30,955
Property, plant and equipment, net	218,567	136,167	84,719	84,282	58,897
Investments in non-consolidated companies and other investments	6,312	4,350	3,198	5,112	3,262
Total non-current assets	19,941	17,109	11,020	11,181	5,566
Total assets	308,683	200,270	125,695	129,715	98,680
Liabilities and shareholders' equity:					
Total current liabilities	33,552	30,965	24,756	24,468	21,976
Total long-term liabilities(1)	31,263	24,844	17,731	21,534	16,829
Long-term debt(2)	60,471	49,041	20,640	16,202	13,610
Total liabilities	125,286	104,850	63,127	62,204	52,415
Shareholders' equity					
Shares authorized and issued:					
Preferred share	45,840	15,106	15,106	8,620	7,718
Common share	63,906	21,088	21,088	12,196	10,959
Capital reserve and other comprehensive income	71,748	57,864	25,715	44,363	25,622
Petrobras' shareholders' equity	181,494	94,058	61,909	65,179	44,299
Non-controlling interest	1,903	1,362	659	2,332	1,966
Total equity	183,397	95,420	62,568	67,511	46,265
Total liabilities and shareholders' equity	308,683	200,270	125,695	129,715	98,680

(1) Excludes long-term debt.

(2) Excludes current portion of long-term debt.

INCOME STATEMENT DATA—PETROBRAS

	For the Year Ended December 31,				
	2010	2009	2008	2007	2006
	(U.S.\$ million, except for share and per share data)				
Net operating revenues	120,052	91,869	118,257	87,735	72,347
Operating income(1)	24,158	21,869	25,294	20,451	19,844
Net income for the year attributable to Petrobras(2)	19,184	15,504	18,879	13,138	12,826

Weighted average
number of shares
outstanding:(3)

Common	5,683,061,430	5,073,347,344	5,073,347,344	5,073,347,344	5,073,347,344
Preferred	4,189,764,635	3,700,729,396	3,700,729,396	3,700,729,396	3,699,806,288
Operating income per:(1)(3) Common and Preferred Shares	2.45	2.49	2.88	2.33	