

BRAZILIAN PETROLEUM CORP
Form 6-K
October 05, 2004

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 October, 2004

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

New oil discovery in the onshore Espírito Santo basin

(Rio de Janeiro, October 4, 2004). PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA], a Brazilian international energy company, announces that it has discovered heavy oil (estimated 13° API) in the onshore portion of the Espírito Santo basin, after drilling directional well 3-CCS-2D-ES (Córrego Cedro Sul) in the municipality of São Mateus. More drilling will be needed to determine the size of the reserve, but preliminary estimates point to 50 million barrels of recoverable oil. The discovery occurred in the São Mateus and Mucuri formations, where 62 meters of oil-bearing sandstone were found, peaking at about 560 meters depth.

The density is similar to that found in Campo de Fazenda Alegre, in the same basin, specially suited to the production of lubricants. The infrastructure currently nearing completion in the region, consisting of a treatment plant and a terminal for transporting heavy oil, will make it easier to develop the new deposit, should it be declared commercially viable. The discovery supports Petrobras's decision to resume exploration of mature basins, like onshore Espírito Santo, and to invest in technological solutions for the exploration and production of heavy oils. The combination holds out significant potential for raising the Company's production and reserves.

The new discovery is located in exploration block BT ES 21 (BT stands for onshore basin, ES for the state of Espírito Santo and 21 is the number of the block), acquired by Petrobras in the 5th round of auctions held in August 2003. It is also the result of Petrobras's compliance with the minimum exploration program signed in November 2003 with the National Oil Agency (ANP).

<http://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 expressions, are used to identify such forecasts. These predictions 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: October 5, 2004

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.
