



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549-7010

September 23, 2009

Via Mail and Facsimile (212-225-3999)

José Sérgio Gabrielli de Azevedo  
Chief Executive Officer  
Petroleo Brasileiro S.A.-Petrobras  
Avenida Republica do Chile, 65  
20031-912-Rio de Janeiro-RJ  
Brazil

**Re: Petroleo Brasileiro S.A.-Petrobras  
Form 20-F for the Fiscal Year Ended December 31, 2008  
Filed May 22, 2009  
File No. 1-15106  
Response Letter Filed September 1, 2009**

Dear Mr. Gabrielli de Azevedo:

We have limited our review of your filing to disclosure relating to your contacts with countries that have been identified as a state sponsor of terrorism, and we have the following comments. Our review with respect to this issue does not preclude further review by the Assistant Director group with respect to other issues. At this juncture, we are asking you to provide us with supplemental information, so that we may better understand your disclosure. Please be as detailed as necessary in your response. After reviewing this information, we may raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filings. We look forward to working with you in these respects. We welcome any questions you may have about our comment or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

General

1. We note that 1) you have opened a representative office in Cuba, 2) your oil exploration and production sharing agreement with Cuba Petroleo allows you to explore oil for seven years and to produce oil and gas if discovered for 25 years and 3) the agreement is with the Cuban national oil company. Please discuss the

materiality of these contacts and whether these contacts constitute a material investment risk for your security holders. You should address materiality in quantitative terms. Also, address materiality in terms of qualitative factors that a reasonable investor would deem important in making an investment decision, including the potential impact of corporate activities upon a company's reputation and share value. As you know, various state and municipal governments, universities, and other investors have proposed or adopted divestment or similar initiatives regarding investment in companies that do business with U.S.-designated state sponsors of terrorism. Your materiality analysis should address the potential impact of the investor sentiment evidenced by such actions directed toward companies that have operations associated with Cuba.

\* \* \* \*

Please respond to these comments within 10 business days or tell us when you will provide us with a response. Please submit your response letter on EDGAR.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filings include all information required under the Exchange Act of 1934 and that they have provided all information investors require for an informed investment decision. Since the company and its management are in possession of all facts relating to the company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In connection with responding to our comments, please provide, in writing, a statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filings;
- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filings; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

In addition, please be advised that the Division of Enforcement has access to all information you provide to the staff of the Division of Corporation Finance in our review of your filings or in response to our comments on your filings.

José Sérgio Gabrielli de Azevedo  
Petroleo Brasileiro S.A.-Petrobras  
September 23, 2009  
Page 3

Please understand that we may have additional comments after we review your response to our comment. Please contact Jennifer Hardy, Special Counsel, at (202) 551-3767 if you have any questions about the comment or our review. You may also contact me at (202) 551-3470.

Sincerely,

Cecilia Blye, Chief  
Office of Global Security Risk

cc: Roger Schwall  
Assistant Director  
Division of Corporation Finance

Nicolas Grabar, Esq. (Via Facsimile)  
Cleary Gottlieb Steen & Hamilton LLP