

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
October 10, 2008

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, 2008

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

Clarifications about investments in Ecuador

(Rio de Janeiro, October 10 2008) PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA, BCBA: APBR/APBRA], a Brazilian international energy company, responding to written notice CVM/SEP/GEA-2/Nº 249/08, regarding the story published by the Valor Econômico journal titled Petrobras cancels investments in Ecuador, clarifies that:

Petrobras Energia Ecuador, a subsidiary of Petrobras Energia S.A. (PESA), a publicly traded company headquartered in Argentina, which, in turn, is a subsidiary of Petróleo Brasileiro S.A. Petrobras, signed, last September 16, an agreement with the government of Ecuador (Acta de Entendimiento) in which it commits to return exploratory block 31. This agreement is subject to a few conditions being met, among which approval by PESA S Board of Directors.

PESA S accumulated investments in this block add up to \$200 million in nominal values. Anticipating the difficulties to develop these reserves, a provision was made in 2007 for the write-off of the asset. By returning the block, PESA will not have its own oil to transport in the OCP oil pipeline, in which it has already contracted capacity (ship-or-pay). Because of this, it is negotiating an oil transportation agreement with Petroecuador for the usage of this idle capacity.

Once the return of exploratory block 31 has been confirmed, the investments Petrobras Energia Ecuador had programmed to develop production will no longer be made.

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 analogical 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.

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 10, 2008

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.
