

BRAZILIAN PETROLEUM CORP
Form 6-K
February 23, 2006

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 February, 2006

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

Petrobras begins production in the Peroá Field

(Rio de Janeiro, February 23, 2006). PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA], a Brazilian international energy company, announces that in the afternoon of Tuesday, February 21 2002, it began gas production in the Peroá Field in the Espírito Santo Basin. The first of three wells, 3-ESS-89A, is being gradually brought into production and is expected to reach full daily capacity of more than 1 million cubic meters by next week.

The gas is being processed at the Cacimbas Gas Treatment Unit (UTGC), in the municipal district of Linhares, and will provide additional supplies of 1.3 million m³/day to the state of Espírito Santo.

Once the first 100 kms of the Southeast-Northeast Gas Pipeline (Gasoduto Sudeste-Nordeste -Gasene), linking the cities of Cacimbas and Vitória, become operational, supplies can be doubled. This stretch of pipeline is scheduled to come on stream in the second half of this year.

The Peroá Platform is located off the northern Espírito Santo coast in a water depth of 67 meters and has a processing capacity of 8 million m³/day.

Petrobras has invested R\$ 550 million in Phase 1 of the Peroá project, which includes the platform, the submarine gas pipeline and the UTGC. In all, 1,350 direct jobs were created, including construction and operation. Phase II, which is still at the project stage, will increase supplies from the current level of 1.3 million to 8 million m³/day of gas from 2008.

<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 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: February 23, 2006

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.
