

BRAZILIAN PETROLEUM CORP
Form 6-K
October 14, 2005

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, 2005

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

Moody's ranks Petrobras as Investment Grade

(Rio de Janeiro, October 13, 2005). - PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA], a Brazilian international energy company, informs that the rating agency Moody's Investor Services announced today an improvement in the foreign currency bond ratings of Petrobras and its wholly owned subsidiary Petrobras International Finance Company (PIFCo) from Ba1 to Baa2, leading these companies to reach the investment grade tier (with a stable outlook). The improved local currency rating from Baa1 to A2, announced on July 8 2005, was reiterated by the agency.

This decision reflects Moody's recognition of the reduction of Petrobras' financial leverage, the importance of its integrated operations, and the growth in its international production and of its exports, all of which resulting in greater cash generation in foreign currencies.

PIFCo's rating was also upgraded to Baa2, reflecting the credit guarantees provided by Petrobras.

The change in the foreign currency bond ratings ranks Petrobras four notches above sovereign risk, which was also upgraded by Moody's from B1 to Ba3 on October 12, 2005.

Among the benefits that this new classification brings to the Company, it must be highlighted the lower cost of capital, what widens the opportunities for the development of new projects, and the possibility to improve shareholders' return, increasing the Company's competitiveness.

This achievement results from the commitment of Petrobras and its workforce in running its business plan in a profitable manner, with social and environmental responsibility.

<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 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 13, 2005

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.
