

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
November 24, 2010

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 November, 2010

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

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This report on Form 6-K is incorporated by reference in the Registration Statement on Form F-3 of Petróleo Brasileiro -- Petrobras (No. 333-163665).

Petróleo Brasileiro S.A. Petrobras and Subsidiaries

Consolidated Financial Statements

September 30, 2010 and 2009

with Review Report of Independent

Registered Public Accounting Firm

PETRÓLEO BRASILEIRO S.A. - PETROBRAS
AND SUBSIDIARIES

Consolidated FINANCIAL STATEMENTS

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Review report of independent registered public accounting firm

To the Board of Directors and Shareholders of

Petróleo Brasileiro S.A. - Petrobras

Rio de Janeiro - Brazil

We have reviewed the accompanying condensed consolidated balance sheet of Petróleo Brasileiro S.A. - Petrobras and subsidiaries as of September 30, 2010, and the related condensed consolidated statements of operations, cash flows and changes in shareholders' equity for the nine-month periods ended September 30, 2010 and 2009. These condensed consolidated financial statements are the responsibility of the Company's management.

We conducted our review in accordance with the standards of the Public Company Accounting Oversight Board (United States). A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States), the objective of which is the expression of an opinion regarding the consolidated financial statements taken as a whole. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modification that should be made to the condensed consolidated financial statements referred to above for them to be in conformity with U.S. generally accepted accounting principles.

/s/ KPMG Auditores Independentes

KPMG Auditores Independentes

Rio de Janeiro, Brazil

November 23, 2010

PETRÓLEO BRASILEIRO S.A. - PETROBRAS**AND SUBSIDIARIES****CONSOLIDATED BALANCE SHEETS**

September 30, 2010 and December 31, 2009

Expressed in Millions of United States Dollars

	September 30, 2010	December 31, 2009
	(unaudited)	
Assets		
Current assets		
Cash and cash equivalents (Note 5)	27,451	16,169
Marketable securities (Note 6)	6,795	72
Accounts receivable, net	11,283	8,115
Inventories (Note 7)	12,538	11,227
Deferred income taxes (Note 4)	451	660
Recoverable taxes (Note 8)	4,765	3,940
Advances to suppliers	913	1,026
Other current assets	1,776	1,435
	65,972	42,644
Property, plant and equipment, net (Note 19)	206,278	136,167
Investments in non-consolidated companies and other investments	5,951	4,350
Non-current assets		
Accounts receivable, net	2,577	1,946
Advances to suppliers	3,831	3,267
Petroleum and alcohol account - receivable from Federal Government (Note 9)	484	469
Marketable securities (Note 6)	2,892	2,659
Restricted deposits for legal proceedings and guarantees (Note 15 (a))	1,533	1,158
Recoverable taxes (Note 8)	6,315	5,462
Goodwill	141	139
Prepaid expenses	469	618
Other assets	1,693	1,391
	19,935	17,109
Total assets	298,136	200,270

See the accompanying notes to the consolidated financial statements.

PETRÓLEO BRASILEIRO S.A. - PETROBRAS**AND SUBSIDIARIES**

CONSOLIDATED BALANCE SHEETS (Continued)

September 30, 2010 and December 31, 2009

Expressed in Millions of United States Dollars (except number of shares)

	September 30, 2010 (unaudited)	December 31, 2009
Liabilities and shareholders equity		
Current liabilities		
Trade accounts payable	11,782	9,882
Current debt (Note 10)	12,521	8,553
Current portion of capital lease obligations (Note 12)	138	227
Income taxes payable	936	825
Taxes payable, other than income taxes	4,474	5,149
Payroll and related charges	2,314	2,118
Dividends and interest on capital payable (Note 14)	1,078	1,340
Employees postretirement benefits obligation Pension and Health Care (Note 13 (a))	745	694
Contingencies (Note 15 (a))	32	31
Other payables and accruals	3,461	2,146
	37,481	30,965
Long-term liabilities		
Long-term debt (Note 10)	54,131	48,149
Capital lease obligations (Note 12)	155	203
Employees postretirement benefits obligation Pension and Health Care (Note 13 (a))	11,861	10,963
Deferred income taxes (Note 4)	11,898	9,844
Provision for abandonment	2,929	2,812
Contingencies (Note 15 (a))	921	469
Other liabilities	1,946	1,445
	83,841	73,885
Shareholders equity		
Shares authorized and issued (Note 14)	44,514	15,106

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Preferred share	2010	5,489,244,532 shares and 2009	3,700,729,396		
shares					
Common share - 2010		7,367,255,304 shares and 2009	5,073,347,344	62,141	21,088
shares					
Additional paid in capital				(24)	707
Capital reserve - fiscal incentive				-	296
Retained earnings				 	