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September, 2007

Clean Energy: Meeting the Energy Challenges of the 21st Century



PETROBRAS

Cautionary Statement

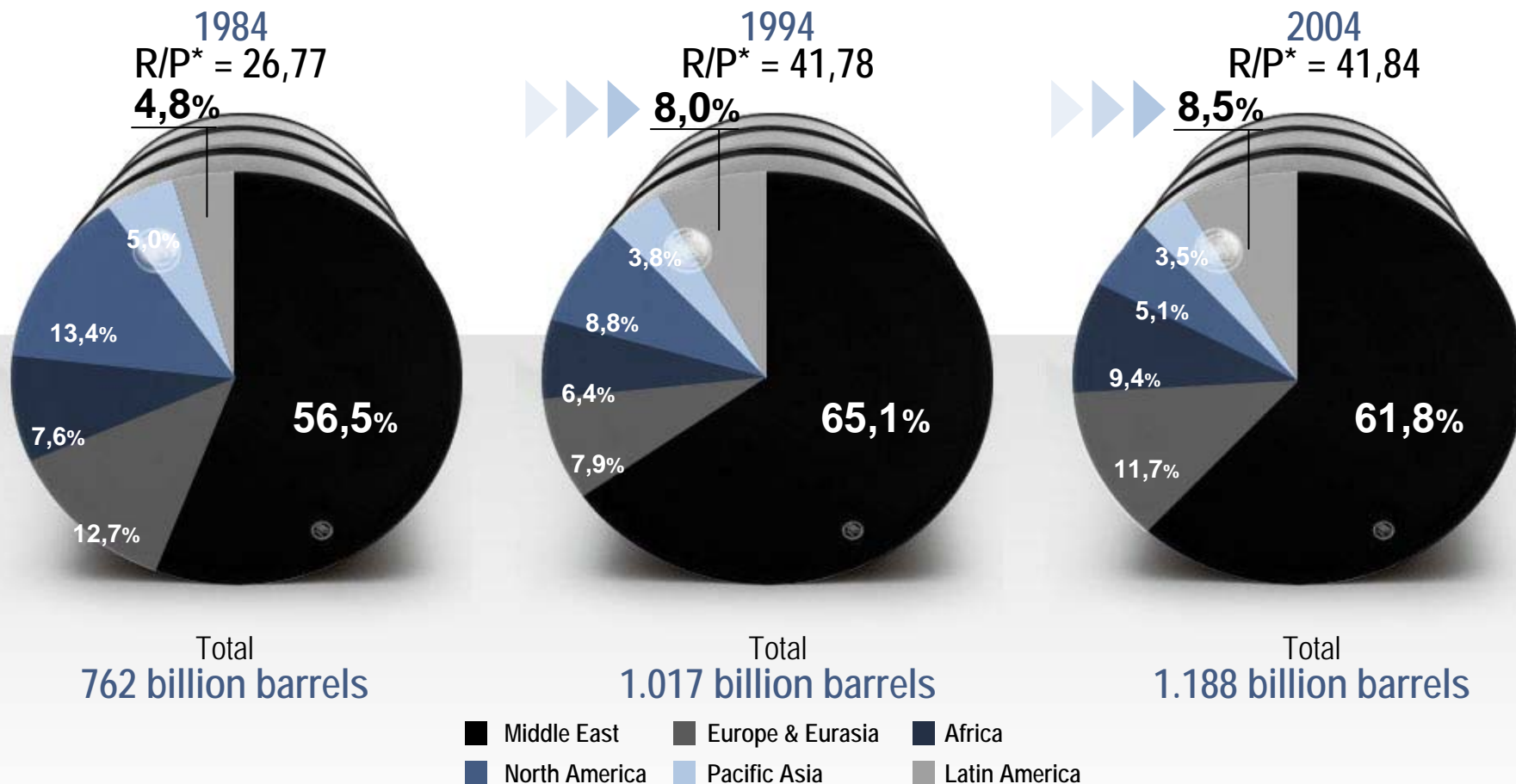
The presentation may contain forecasts about future events. Such forecasts merely reflect the expectations of the Company's management. Such terms as "anticipate", "believe", "expect", "forecast", "intend", "plan", "project", "seek", "should", along with similar or analogous expressions, are used to identify 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. The Company is not obliged to update the presentation/such forecasts in light of new information or future developments.

Cautionary Statement for US investors

The United States Securities and Exchange Commission permits oil and gas companies, in their filings with the SEC, to disclose only proved reserves that a company has demonstrated by actual production or conclusive formation tests to be economically and legally producible under existing economic and operating conditions. We use certain terms in this presentation, such as oil and gas resources, that the SEC's guidelines strictly prohibit us from including in filings with the SEC.

Latin American Share of Oil World Reserves

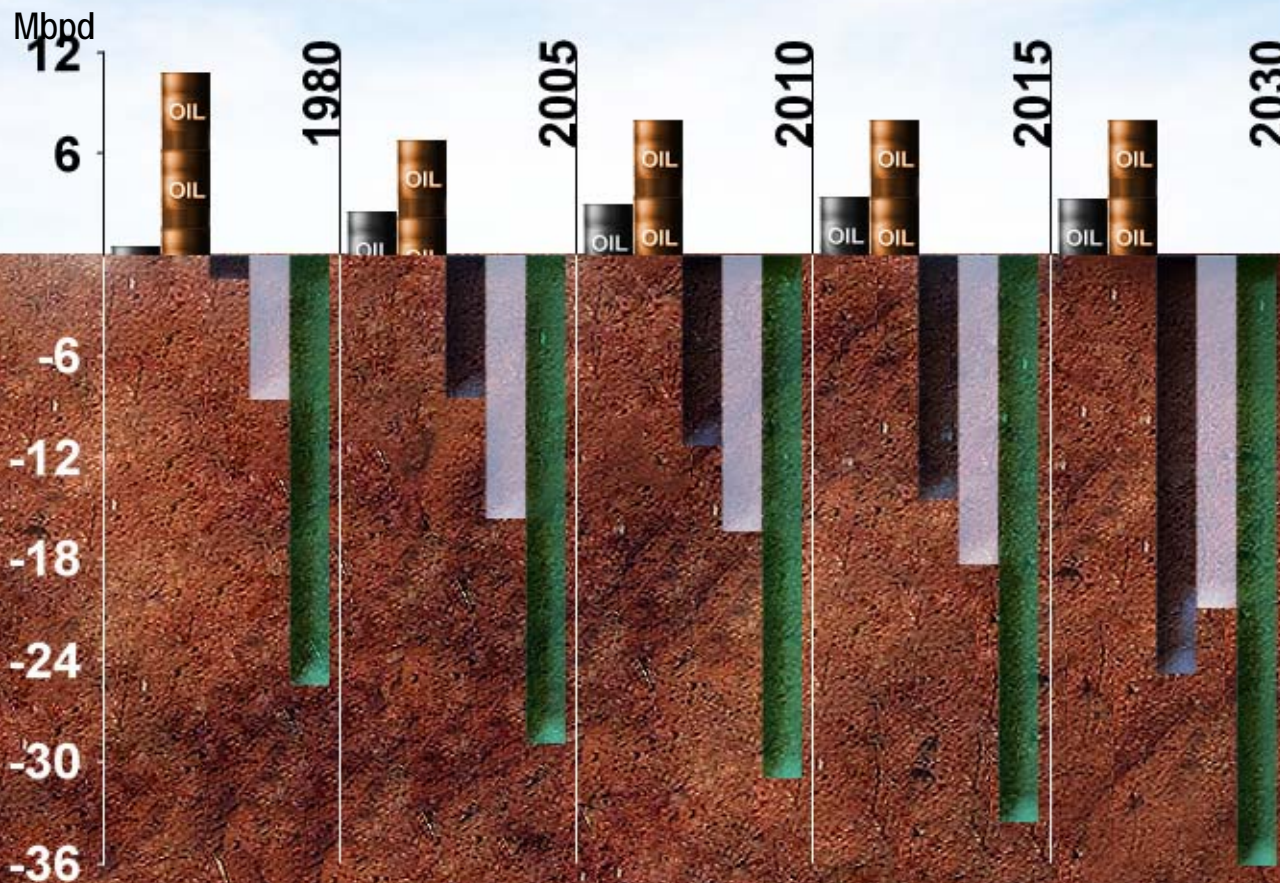
Latin American oil reserves are becoming increasingly important



In 20 years, Latin America proven reserves increased from 36.6 billion barrels (1984) to 101 billion.

Net Oil Availability

-  Latin America
-  Russia
-  Asia
-  United States
-  OECD(- Mexico)



Projected growth in oil production and demand suggests balance and independence of supply from politically unstable regions

Gas Rich Region with limited infrastructure

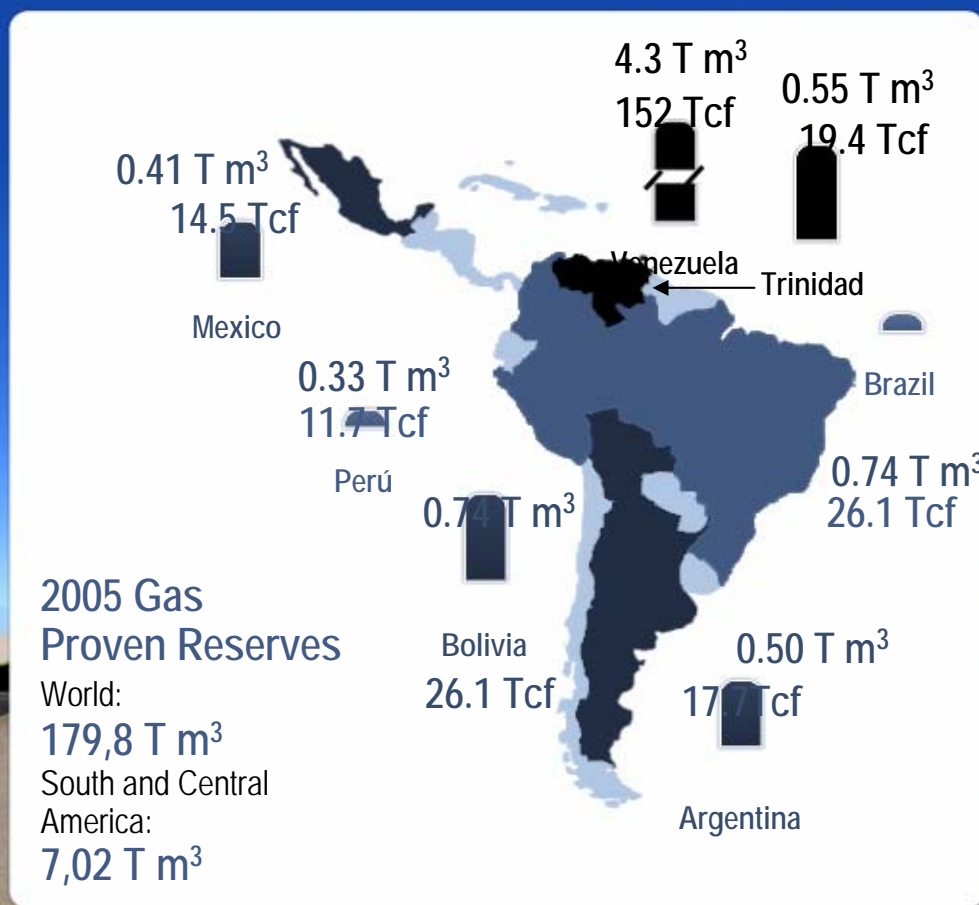
Proven Reserves as of January 1, 2005

Huge gas reserves will allow for:

- ::: Regional growth in consumption replacing some demand for oil
- ::: Higher exports of liquids

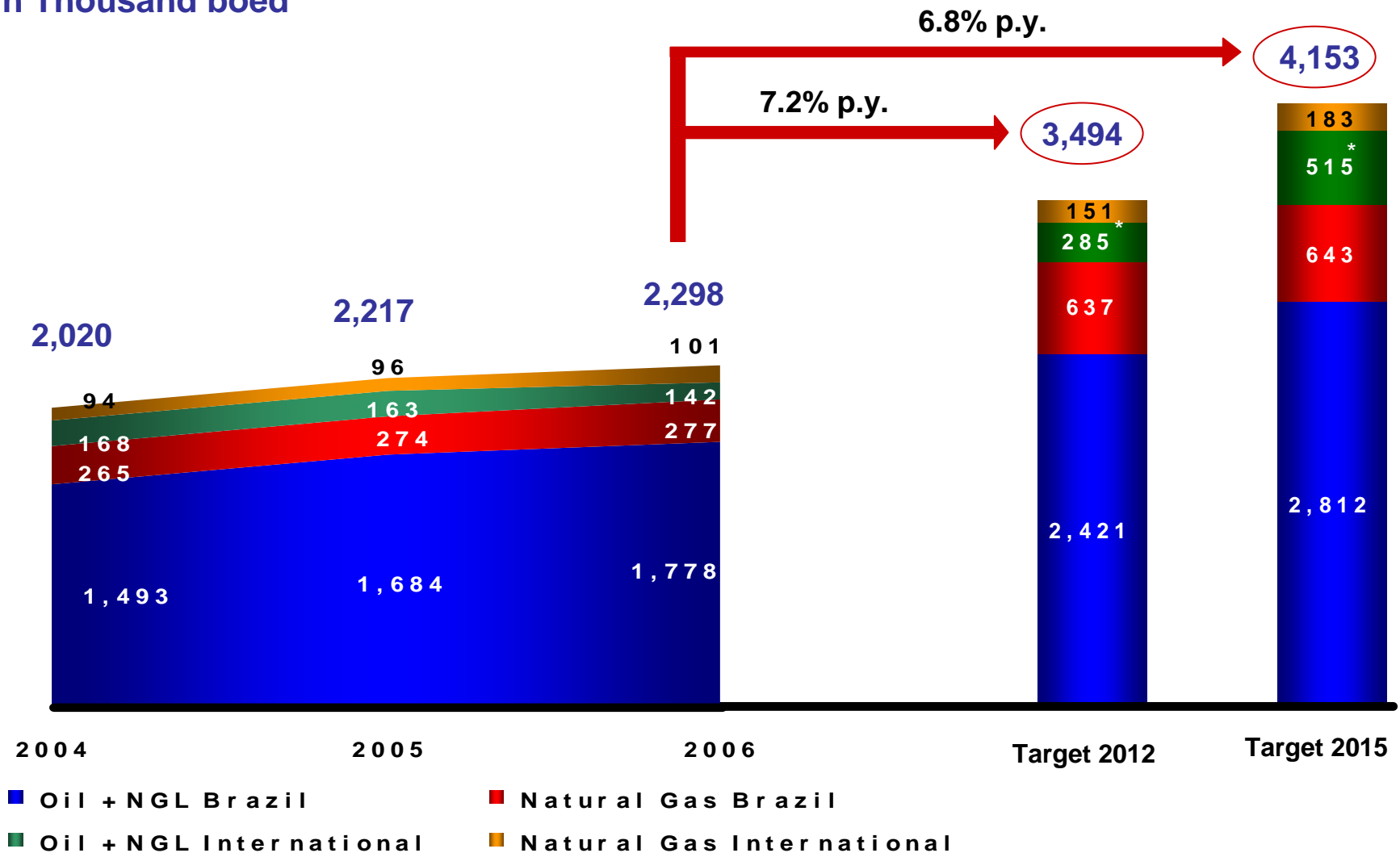
But:

- ::: Will require increasing energy integration and
- ::: Substantial investments in infrastructure covering great distances and environmentally sensitive regions



Petrobras: a Track Record of Growth and perspective

In Thousand boed



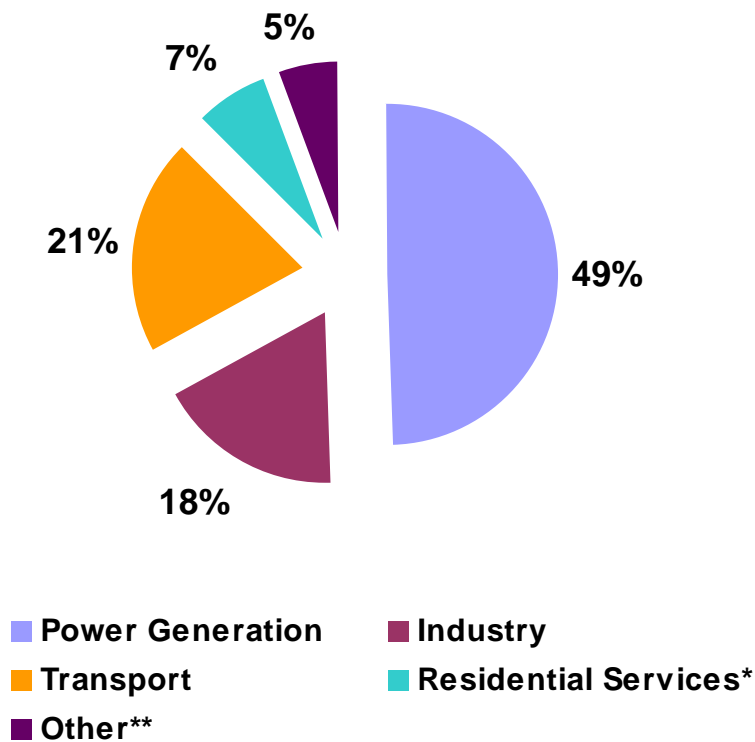
* Includes non consolidated production

World Scenario

- Projected increases in global energy demand and emissions dominated by power, and industry that represent 49% and 18% of projected CO₂ emissions through 2030;
- Transport sector dominated by oil represents only 21% of projected increase in CO₂ emissions through 2030.

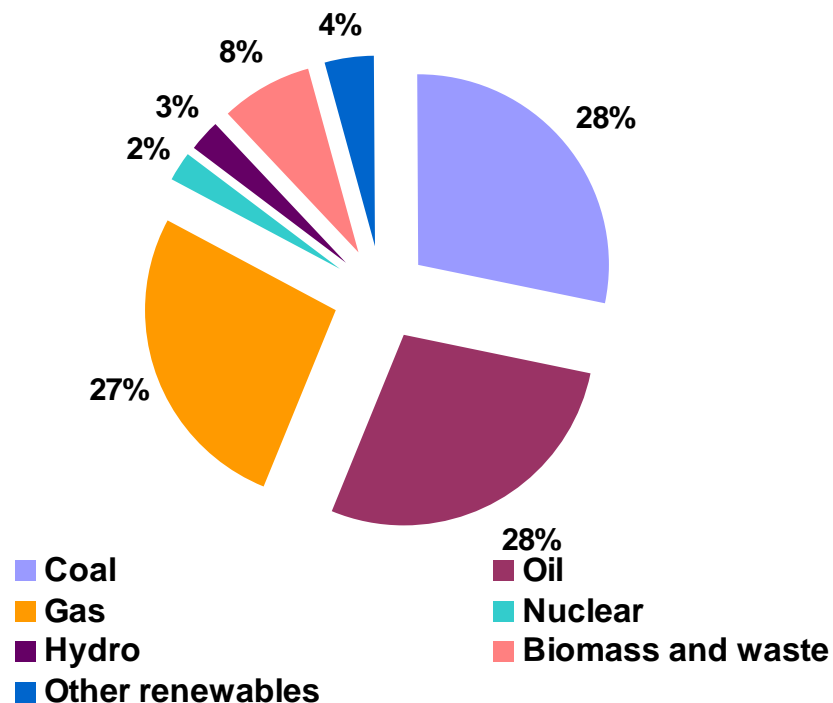
World Energy-Related CO₂ Emissions by Sector

Increase 2004-2030 (14,341 million tonnes)



World Primary Energy Demand

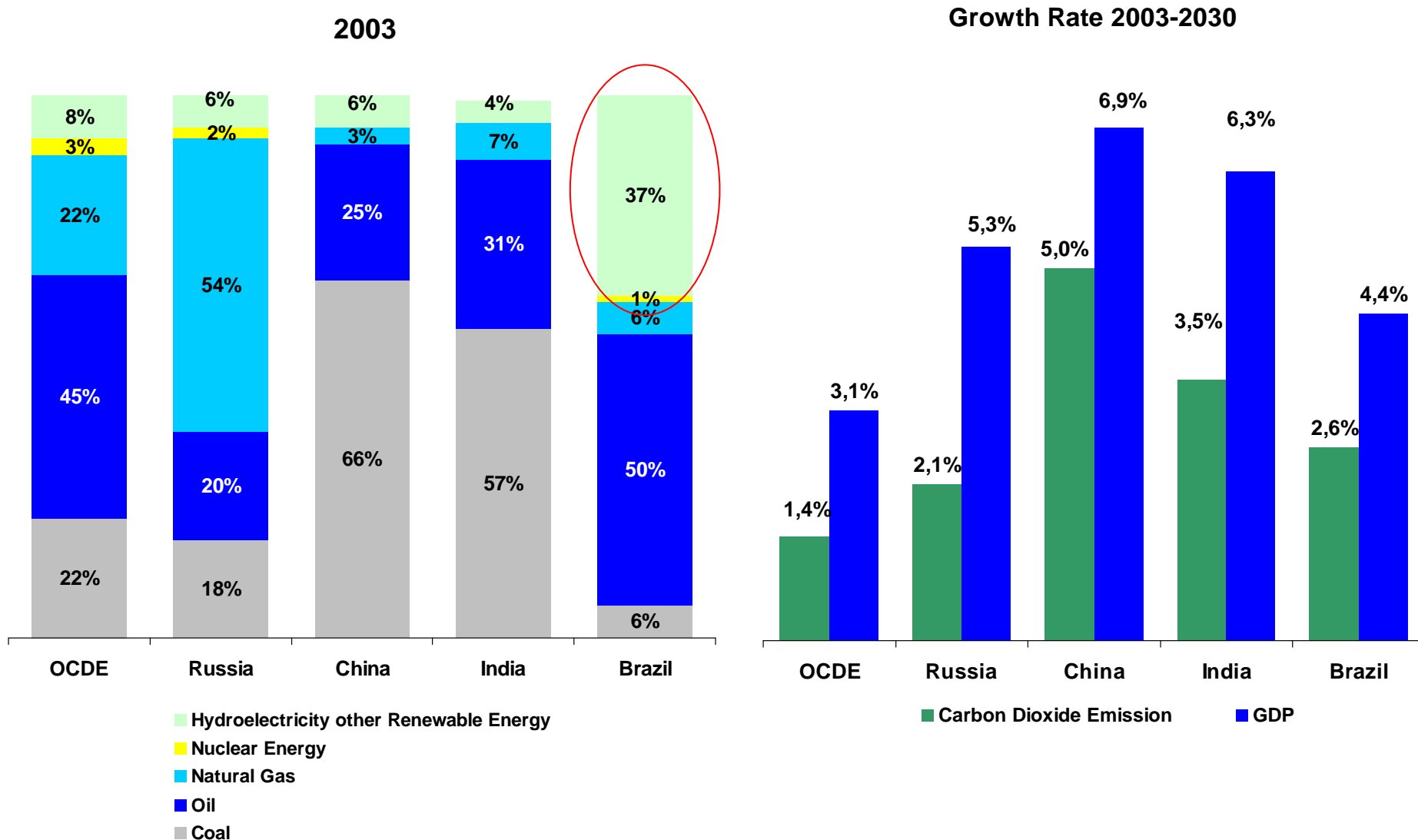
Increase 2004-2030 (5,891 million tonnes)



* Includes agriculture and public sector

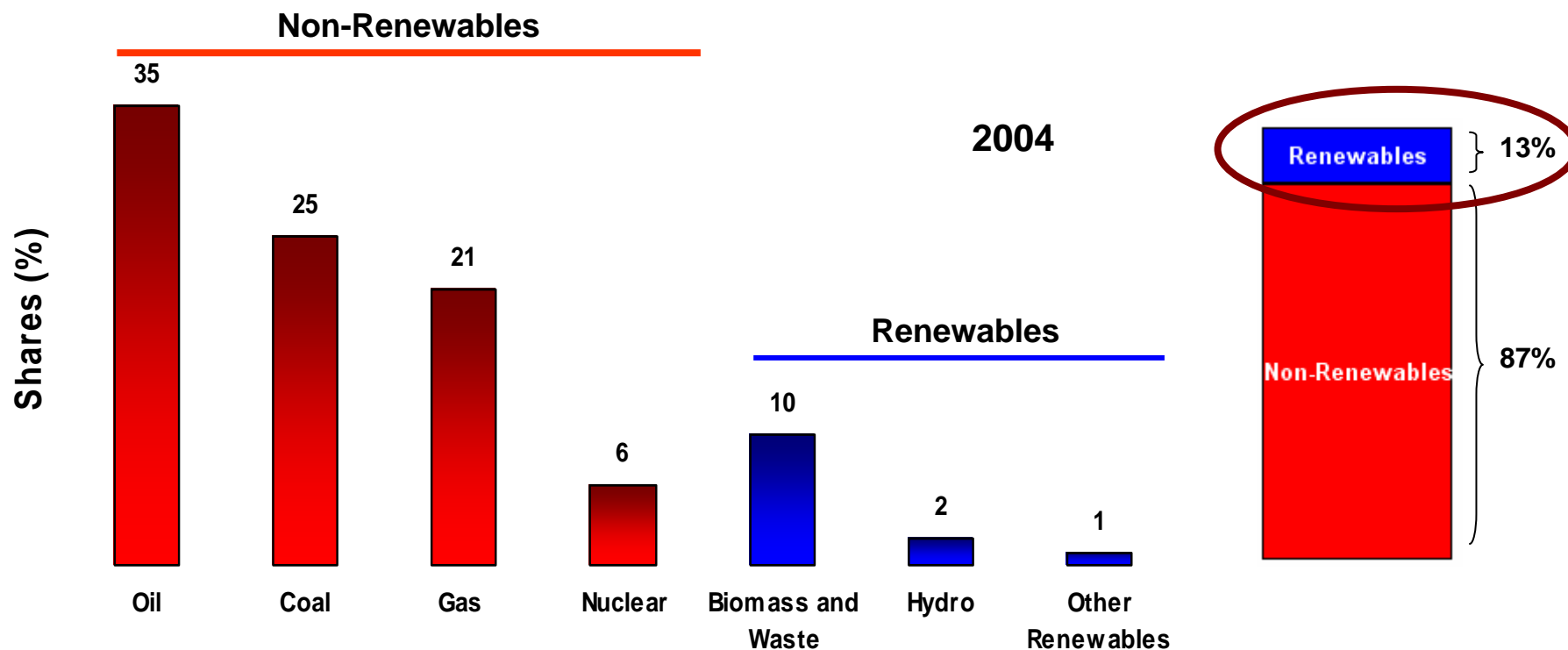
** Includes international marine bunkers, other transformation and non-energy use

BRIC energy consumption patterns are very different and reflect power generation



Supply Overview - Increase in the supply of Biofuels

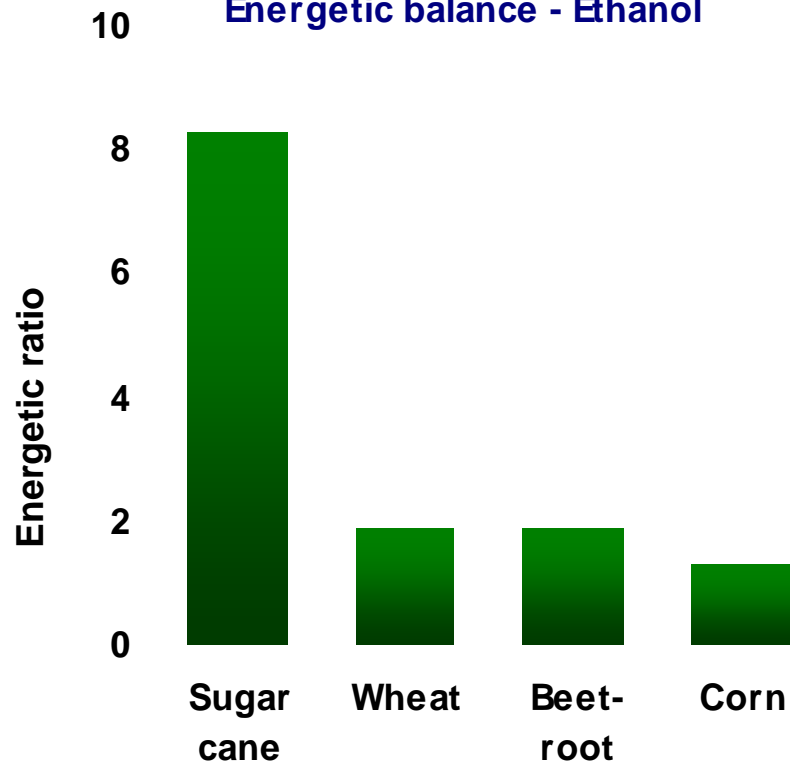
- World Supply of Biomass and Waste reached 1,176 Mtoe in 2004 (10% of total supply);
- According to the International Energy Agency Reference Scenario, it will reach 1,645 Mtoe in 2030, an increase of 1.3% p.a., still representing 10% of total supply.



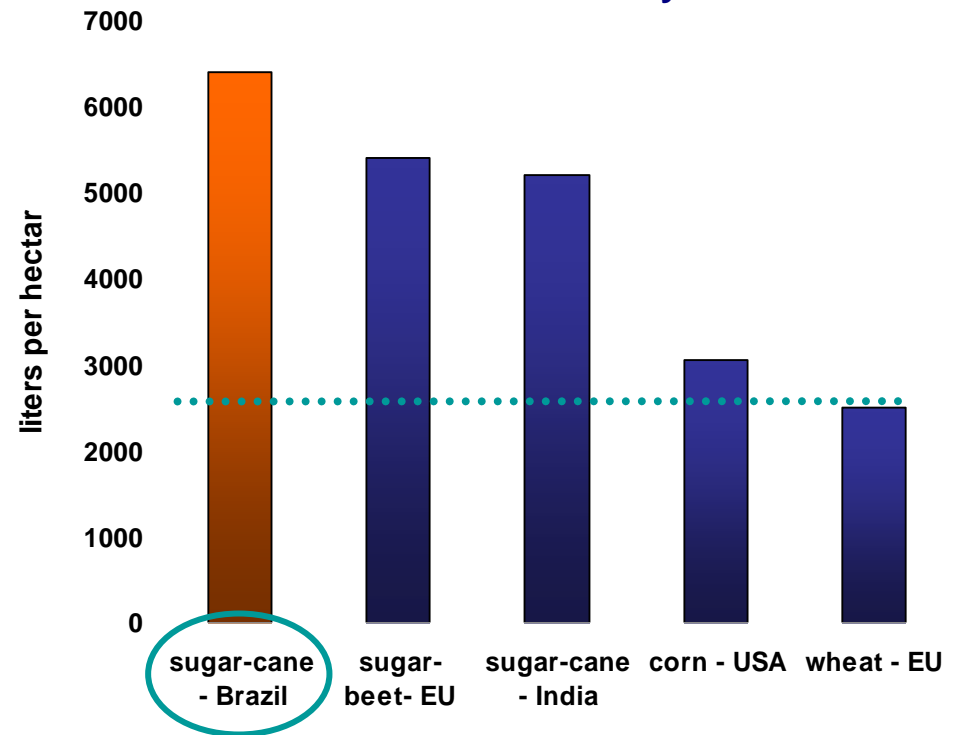
Ethanol Productivity

- Biofuels usage can reduce CO₂ emissions at a 5:1 rate;
- Besides being a cleaner source of energy, sugar cane ethanol produces 8,3 more energy than the fossil energy.

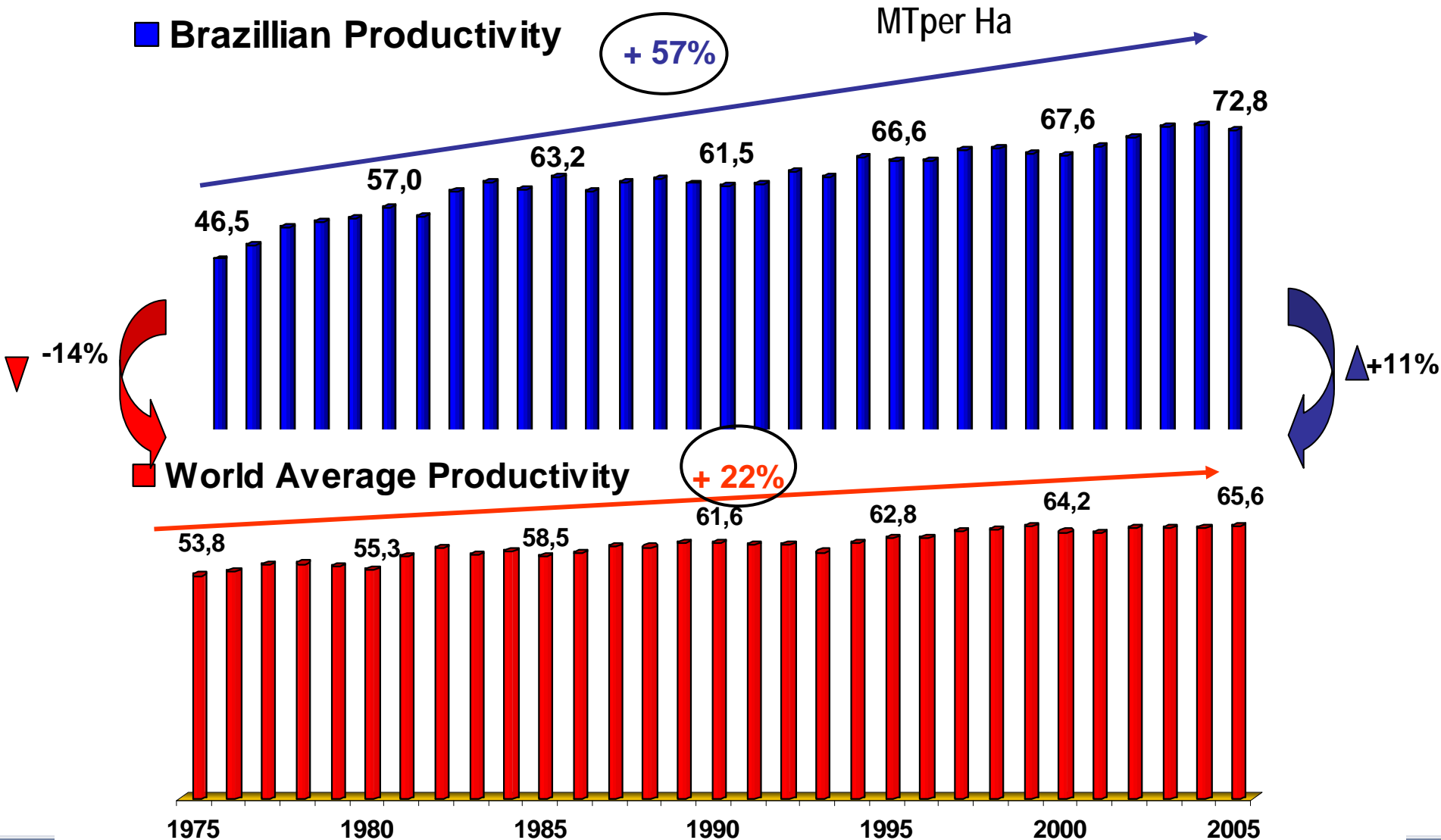
Energetic balance - Ethanol



Ethanol Productivity



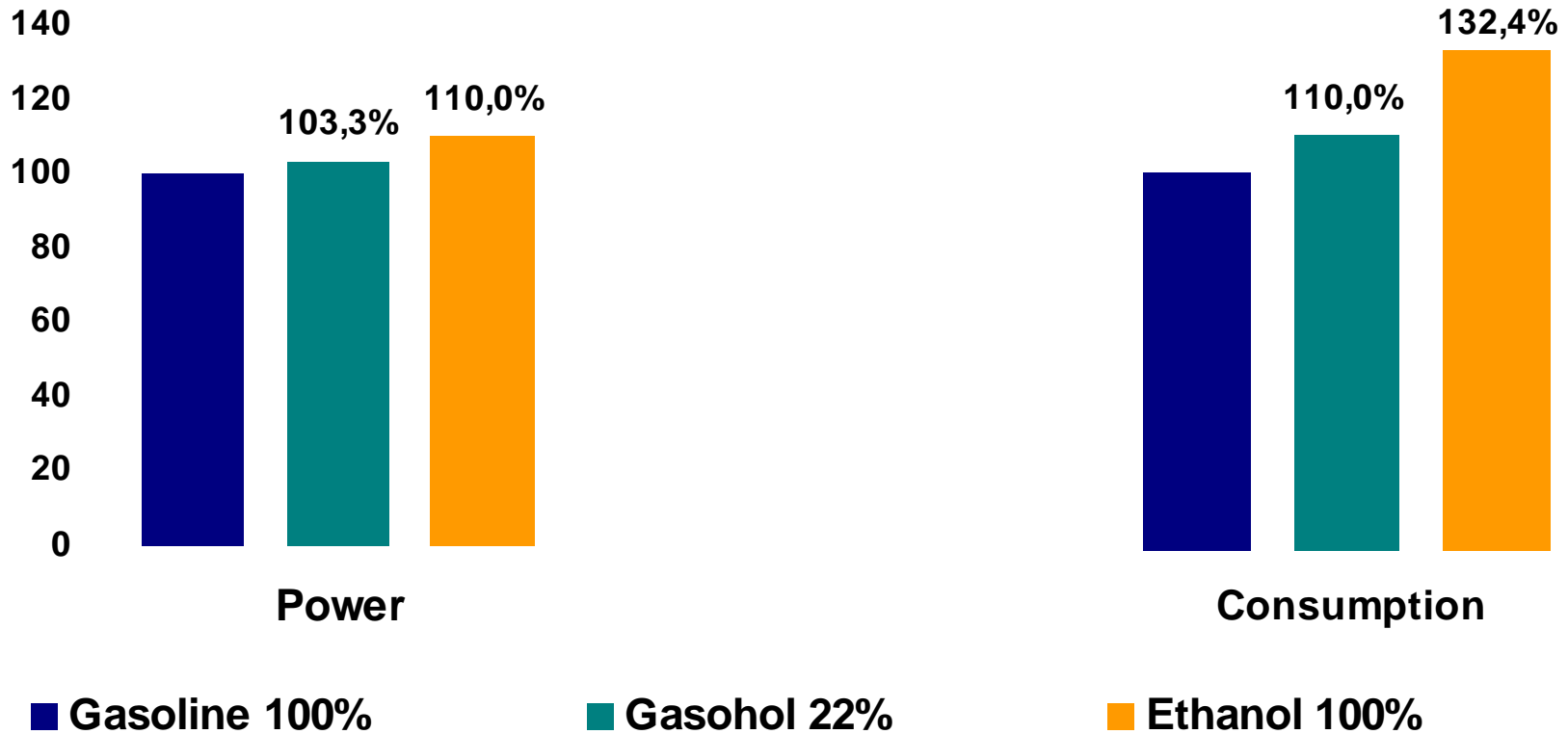
Ethanol motivated and boosted greater land productivity





Ethanol Performance

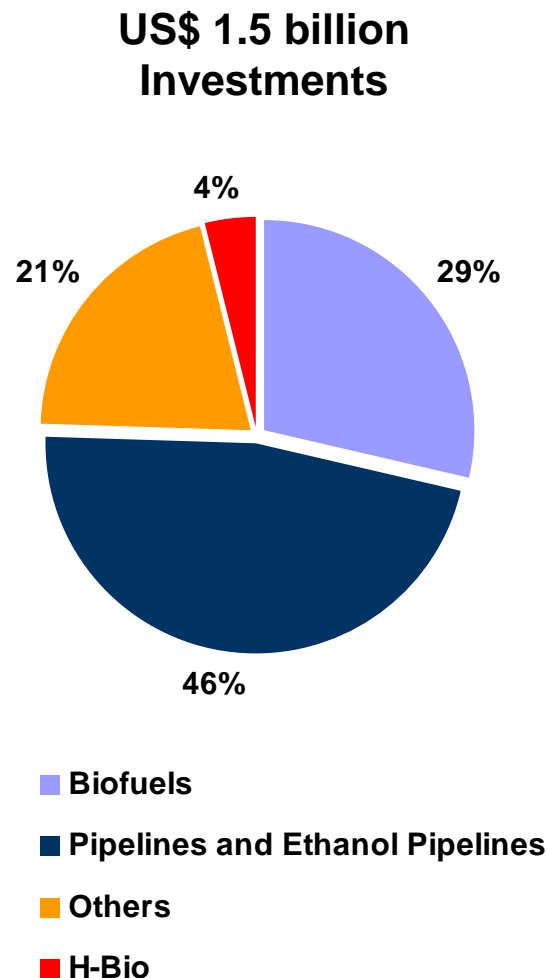
Ethanol Engine Relative Performance*



Petrobras: Renewable Energy and Biofuels

2008-2012 Investments	2012 Target
Biodiesel Plants	Availability of 938 Thousand m ³ /year
H-Bio (Bio-Refining)	Vegetable oil Processing 1.6 million m ³ /year
Ethanol pipelines	Export of 4.7 billion m ³ /year of Ethanol
Ethanol Project Vessel	
Aeolic Energy	Installed Capacity of Generation of Electric Power from 365 MW Renewable Sources
Solar Energy	
Other Sources of Renewable Energy	

Total avoided GHG emissions: 3.93 MM tons CO₂ equivalent



Brazil Social Fuel Certificate: How it works?



If the biodiesel producer wants to have the Social Fuel Certificate, it must:



1) Buy regularly a minimum amount of raw material that comes from the household agriculture (small farmers, according to previously defined criteria); and ...

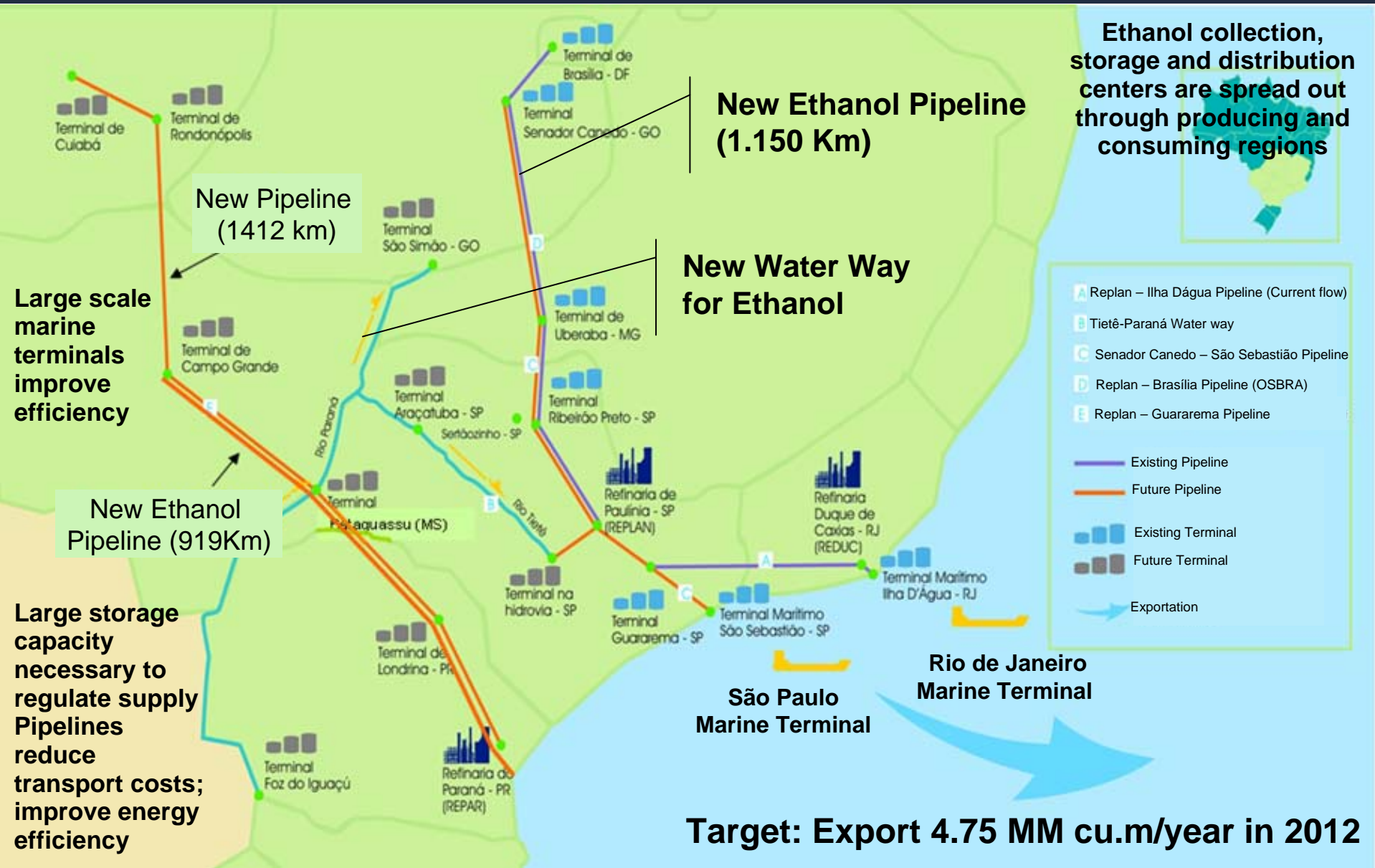


2) Provide the appropriate technical assistance: certificated seeds, rural technicians, best practices etc.; and ...



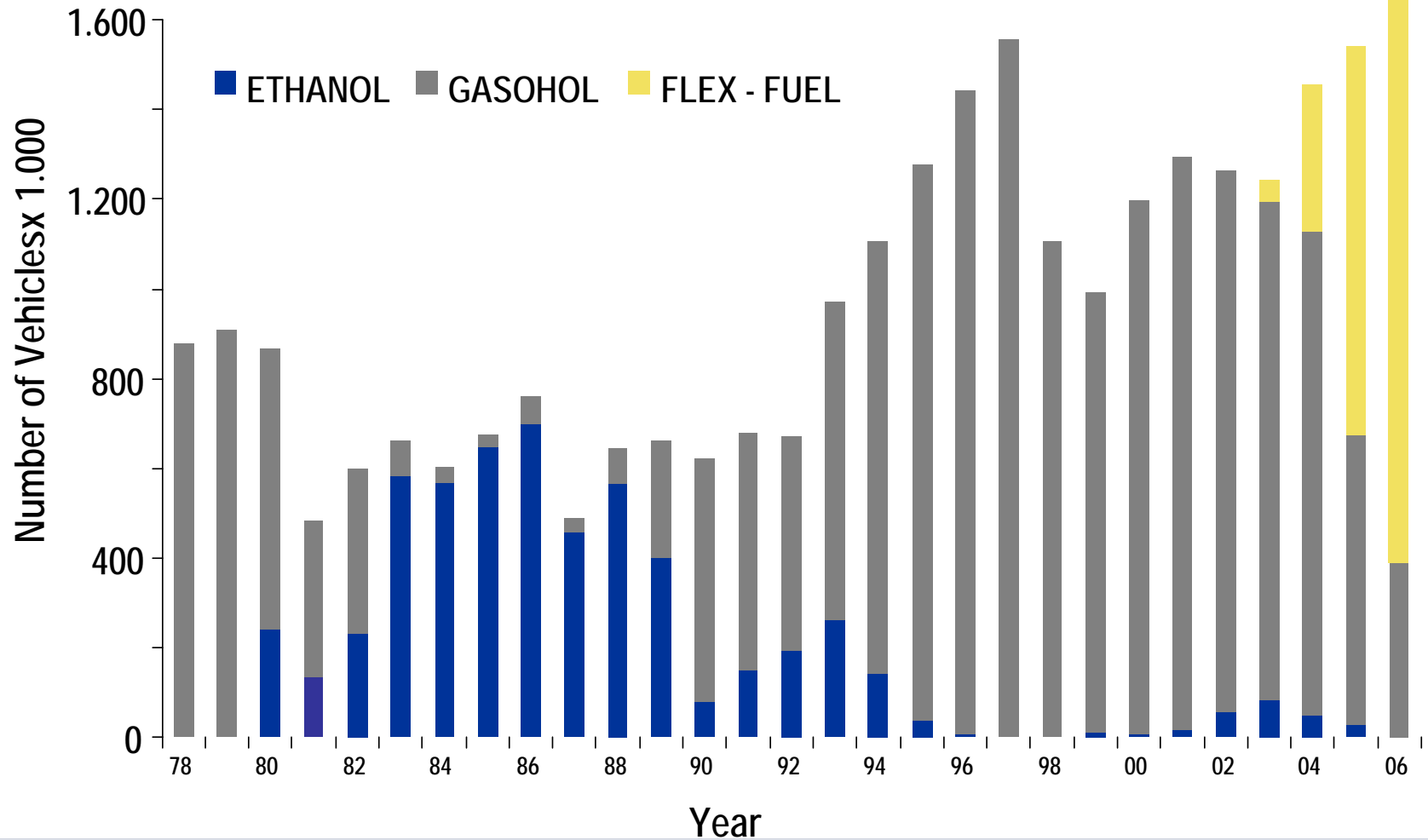
3) Sign a contract with each small farmers in terms that must be regarded as proper by a rural workers' union.

Petrobras Investments to Export Ethanol





Brazilian New Car Sales by Fuel



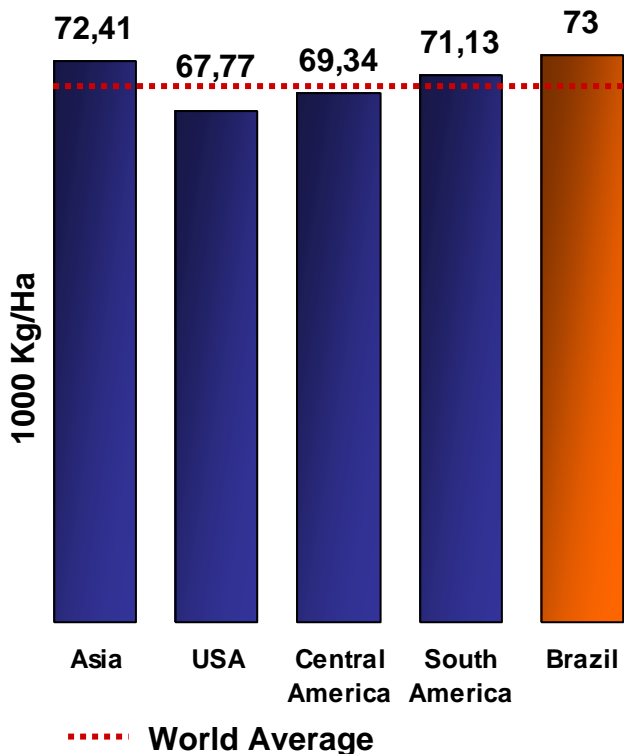
Latin America offers excellent potential to increase ethanol production

- Availability of lands, water and low labor cost also benefit production in Central and South America.

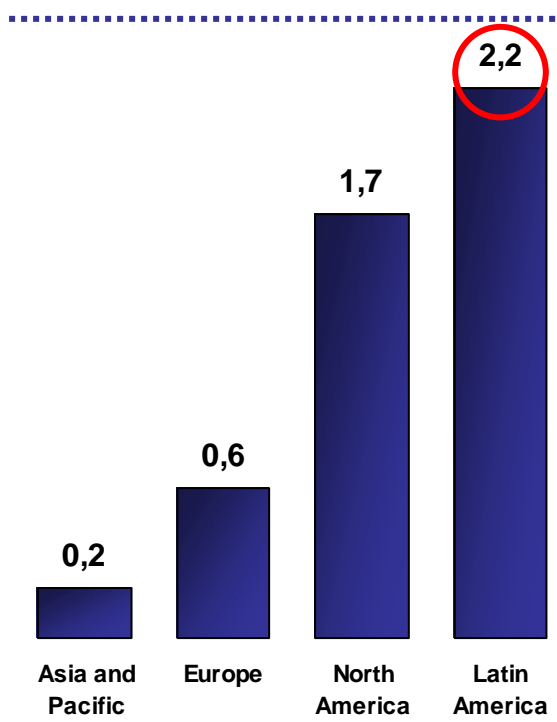
Latin America has the largest potential arable land per capita and only uses 13,9% of it.

Sugar-Cane Productivity

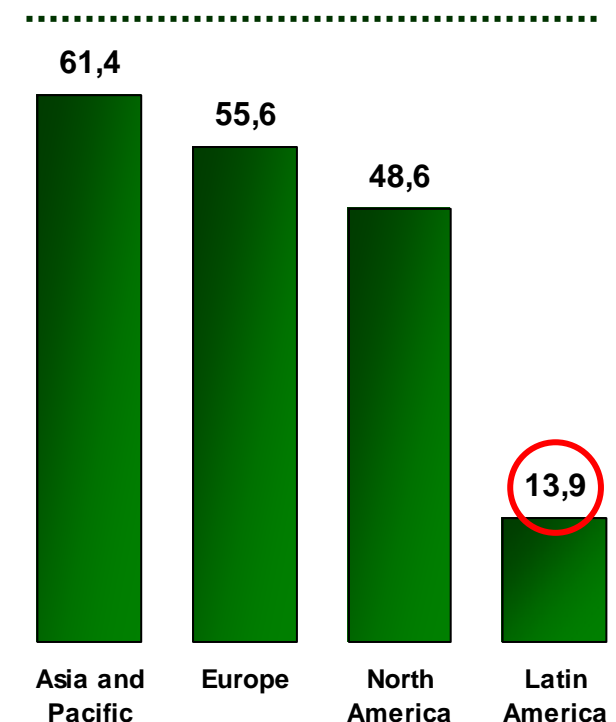
Yield per Hectare



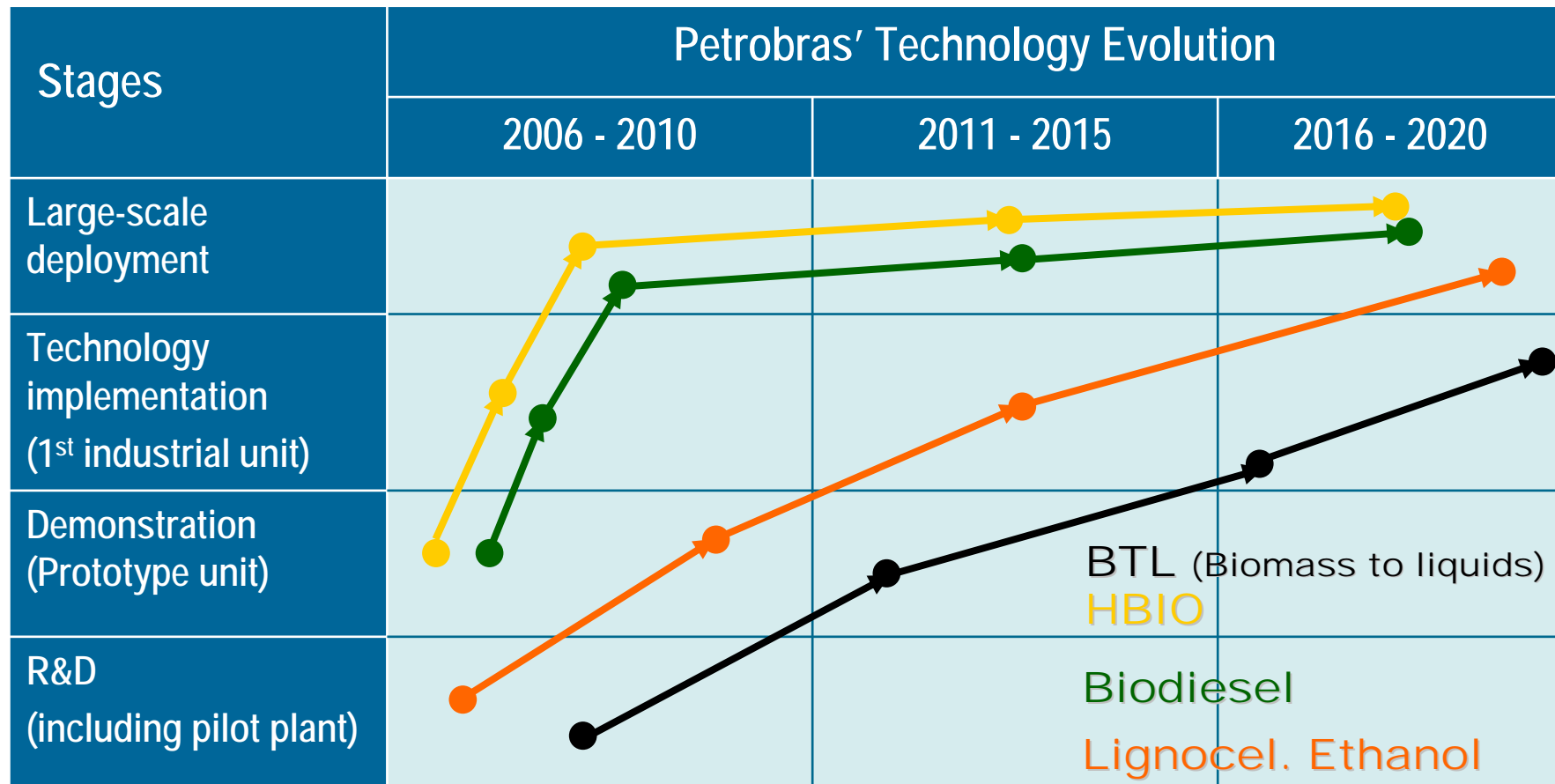
Potential Arable Land
(1.000 ha per capita)



% of Potential Arable Land actually in use



Petrobras' Technological Roadmaps on Biofuels



Conclusions

Biofuels do contribute to:

- **Energy security;**
- **Improvement of environment conditions in urban areas;**
- **Creation of jobs and income in rural areas;**
- **Economic development.**

However, in order to achieve this reality, it is required:

- **Governmental decision with adequate public policies;**
- **Global efforts towards creation of biofuels international market;**

Governmental policies do exert strong influence on climate for investment because they can produce immediate impacts over costs, risks and barriers to competition.

ENVIRONMENTAL MOTIVATION !!!



BIOFUELS

... A SOLUTION WITH SOCIAL INCLUSION !!!

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