

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
March 15, 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 March, 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

US Court reassert the decision about Pasadena Refinery

Rio de Janeiro, March 12, 2010. Petróleo Brasileiro S.A. Petrobras, informs that on March 10, 2010, the United States District Court for the South District of Texas confirmed an arbitration award issued on April 10, 2009 that found that Petrobras America Inc. (PAI), an indirect affiliate of Petróleo Brasileiro S.A. Petrobras, acquired 100% of the interest held by Astra Oil Trading NV (Astra) in the Pasadena Refining System, Inc. (PRSI) and PRSI's related trading company (Trading Company).

In October 2008, an arbitration panel issued a preliminary decision establishing the validity of certain put-options exercised by Astra and its affiliates in PRSI and the Trading Company. The preliminary arbitral decision found that a closing should have occurred as of September 17, 2008, resulting in PAI, an indirect subsidiary of Petróleo Brasileiro S.A. PETROBRAS (Petrobras), owning 100% of PRSI and the Trading Company and controlling such entities.

In April 2009, the arbitration panel issued a final decision, reaffirming the rulings in its preliminary decision and setting the put-option exercise price for PRSI at US\$296 million. The purchase price for the Trading Company was based on the market price of its inventory as of July 1, 2008, totaling approximately US\$170 million. The purchase prices for PRSI and the Trading Company jointly amount US\$ 466 million.

The arbitrators also found that Astra was entitled to reimbursement of Astra's proportionate share of the payment of certain Trading Company debts, interest as well as attorneys' fees and arbitration costs (totaling US\$ 173 MM). The full amount set forth in the arbitral decision was approximately US\$639 million. The impacts of such contingency have been considered on the first quarter 2009 balance sheet, as provided in note 11.4 of the Quarterly information-ITR 2009 (Similar to 10-Q) 3rd Quarter 2009 released to the market by Petrobras on November 13, 2009.

Later in April 2009, Astra delivered to PAI the stock power and assignments relating to the PRSI shares and the Trading Company partnership interests at issue in the arbitration.

PAI is considering to appeal against the March 10, 2010 ruling.

www.petrobras.com.br/ri/english

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This document may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) 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 such forward-looking statements. 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.

