

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
June 22, 2011

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 June, 2011

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).

Moody's upgrades foreign currency risk rating of Petrobras's debt to A3

Rio de Janeiro, June 21, 2011 – Petróleo Brasileiro S.A. – Petrobras informs that today the risk rating agency Moody's Investor Services (Moody's) announced the upgrade of Petrobras's foreign currency debt rating from Baa1 to A3, as well as the debt of its subsidiaries backed by Petrobras.

The Agency views the upgrade as a result of the recent elevation of the rating of the Brazilian foreign currency long-term sovereign debt, which rose from Baa3 to Baa2. According to Moody's, Petrobras's foreign currency rating assessment remains positioned two levels above the assessment of the Brazilian sovereign risk.

With this upgrade, Petrobras's foreign currency debt risk reached the same level of the domestic currency rating, global scale, which remained stable. Moody's extends this risk assessment to all global debt securities issued by Petrobras International Financial Company (Pifco), a wholly subsidiary of Petrobras, which, from here on, are also evaluated as A3.

The upgrade should contribute to an increase in Petrobras's investor base and to a better funding condition. Petrobras reasserts its commitment to maintain its capital structure within levels compatible with an investment grade.

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.
