

PETROBRAS - PETROLEO BRASILEIRO SA
Form 6-K
December 19, 2014

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 December, 2014

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

**Rescission of Nitrogenous Fertilizers Unit III
construction and assembly contract**

Rio de Janeiro, December 19, 2014 – Petróleo Brasileiro S.A. – Petrobras announces it has rescinded the construction and assembly contract for the Nitrogenous Fertilizers Unit III – UFN III, in Três Lagoas (MS), due to a breach of contract by Consortium UFN3 (consisting of the companies Sinopec and Galvão Engenharia). Rescission negotiations are already under way.

Petrobras stresses it has made all payments and upheld all commitments provided for in the contract. In addition, Petrobras is aware of the consequences of the breach of Consortium UFN3 on workers and suppliers and is taking all the steps within its power to make sure Consortium UFN3 complies with all its legal obligations.

UFN III construction work is 82% complete. Petrobras is revising the timetable to ensure the undertaking is finished in the shortest amount of time possible.

UFN III will produce 1.2 million tons of urea and 70,000 tons of ammonia a year. The Fertilizers Unit will preferentially supply the markets of the Brazilian states of Mato Grosso, Mato Grosso do Sul, Goiás, São Paulo and Paraná.

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: December 19, 2014

PETRÓLEO BRASILEIRO S.A--PETROBRAS

By:

/s/ Almir Guilherme Barbassa

Almir Guilherme Barbassa
Chief Financial Officer and Investor Relations
Officer

FORWARD-LOOKING STATEMENTS

This press release 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 are not based on historical facts and are not assurances of future results. These forward-looking statements 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.

All forward-looking statements are expressly qualified in their entirety by this cautionary statement, and you should not place reliance on any forward-looking statement contained in this press release. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or future events or for any other reason.
