

BRAZILIAN PETROLEUM CORP  
Form 6-K  
October 23, 2006

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**SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

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**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 October, 2006**

**Commission File Number 1-15106**

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**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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**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**  
**Public Company**

**PRESS RELEASE**

**Distribution of Interest on Own Capital**

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(Rio de Janeiro, October 20, 2006) - PETRÓLEO BRASILEIRO S/A - PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA], a Brazilian international energy company, announces to shareholders and the market in general that the Board of Directors, meeting today, approved payment to shareholders in the form of interest on own capital, in accordance with Article 9 of Law 9,249/95 and Decrees nº 2,673/98 and 3,381/00.

The amount of R\$ 4,387 million to be distributed, corresponding to a gross value of R\$ 1.00 per common and preferred shares, is being accrued in our Financial Statements on September 30, 2006 and will be disbursed by January 15, 2007, based on the shareholding position as of October 31, 2006. In accordance with Decrees 2,673/98, and 3,381/00 if the payment occurs after December 31, 2006 interest based on the SELIC rate will be payable from December 31, 2006 through the effective payment date. The shares will be negotiated ex-interest on capital from November 01, 2006. This interest on capital will be offset against any remuneration payable at the close of the 2006 fiscal year and will be subject to income tax of 15% (fifteen per cent) withheld at source except in the case of shareholders who are exempt.

Almir Guilherme Barbassa  
CFO and Investor Relations Officer

<http://www.petrobras.com.br/ri/english>

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**This document may contain forecasts 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 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.**

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## **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: October 20, 2006

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. These statements are statements that are not historical facts, and 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.

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