(A free translation of the original report in Portuguese)

FEDERAL PUBLIC SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
ITR - QUARTERLY INFORMATION - As of - 03/31/2008 **Corporation Law**
COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY

THE REGISTRATION WITH THE CVM DOES NOT IMPLY THAT ANY OPINION IS EXPRESSED ON THE COMPANY. THE INFORMATION PROVIDED IS THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT

1.01 - IDENTIFICATION

1 - CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (Taxpayers Record Number)
00951-2	**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**	**33.000.167/0001-01**
4 - NIRE		
33300032061		

01.02 - HEAD OFFICE

1 - ADDRESS				2 - QUARTER OR DISTRICT
AV. REPÚBLICA DO CHILE, 65 - 24th floor				CENTRO
3 - CEP (ZIP CODE)	4 - CITY			5 - STATE
20031-912	RIO DE JANEIRO			RJ
6 - AREA CODE	7 - PHONE	8 - PHONE	9 - PHONE	10 - TELEX
021	3224-2040	3224-2041	-	
11 - AREA CODE	12 - FAX	13 - FAX	14 - FAX	
021	3224-9999	3224-6055	3224-7784	
15 - E-MAIL				
petroinvest@petrobras.com.br				

01.03 - DIRECTOR OF INVESTOR RELATIONS (BUSINESS ADDRESS)

1 - NAME				
ALMIR GUILHERME BARBASSA				
2 - ADDRESS				3 - QUARTER OR DISTRICT
AV. REPÚBLICA DO CHILE, 65 - 23rd floor				CENTRO
4 - CEP (ZIP CODE)	5 - CITY			6 - STATE
20031-912	RIO DE JANEIRO			RJ
7 - AREA CODE	8 - PHONE NUMBER	9 - PHONE NO.	10 - PHONE NO.	11 - TELEX
021	3224-2040	3224-2041	-	
12 - AREA CODE	13 - FAX No.	14 - FAX No.	15 - FAX No.	
021	3224-9999	3224-6055	3224-7784	
16 - E-MAIL				
barbassa@petrobras.com.br				

01.04 - GENERAL INFORMATION/INDEPENDENT ACCOUNTANTS

CURRENT FISCAL YEAR		CURRENT QUARTER			PREVIOUS QUARTER		
1 - BEGINNING	2 - ENDING	3 - QUARTER	4 - BEGINNING	5 - END	6 - QUARTER	7 - BEGINNING	8 - END
01/01/2008	12/31/2008	1	01/01/2008	03/31/2008	4	10/01/2007	12/31/2007

9- NAME OF INDEPENDENT ACCOUNTING FIRM	10- CVM CODE
KPMG AUDITORES INDEPENDENTES	00418-9
11- NAME OF THE ENGAGEMENT PARTNER	12- CPF (Taxpayers registration)
MANUEL FERNANDES RODRIGUES DE SOUSA	783.840.017-15

01.01 - IDENTIFICATION

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00951-2	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	33.000.167/0001-01

01.05 - CURRENT BREAKDOWN OF PAID-IN CAPITAL

No. OF SHARES (THOUSANDS)	1- CURRENT QUARTER 03/31/2008	2 - PREVIOUS QUARTER 12/31/2007	3 - SAME QUARTER IN THE YEAR 03/31/2008
Capital Paid-in			
1 - Common	2.536.674	2.536.674	2.536.674
2 - Preferred	1.850.364	1.850.364	1.850.364
3 - Total	4.387.038	4.387.038	4.387.038
Treasury Stock			
4 - Common	0	0	0
5 - Preferred	0	0	0
6 - Total	0	0	0

01.06 - CHARACTERISTICS OF THE COMPANY

1 - TYPE OF COMPANY Commercial, Industrial and Other
2 - SITUATION Operational
3 - TYPE OF SHARE CONTROL State Holding Company
4 - ACTIVITY CODE 1010 - Oil and Gas
5 - MAIN ACTIVITY PROSPECTING OIL/GAS, REFINING AND ENERGY ACTIVITIES
6 - TYPE OF CONSOLIDATION Total
7 - TYPE OF SPECIAL REVIEW REPORT Unqualified

01.07 - CORPORATIONS/PARTNERSHIPS EXCLUDED FROM THE CONSOLIDATED STATEMENTS

1 - ITEM	2 - CNPJ (TAXPAYERS RECORD NUMBER)	3 - NAME

01.08 - DIVIDENDS/INTEREST ON CAPITAL APPROVED AND/OR PAID DURING AND AFTER THE CURRENT QUARTER

1 - ITEM	2 - EVENT	3 - APPROVAL DATE	4 - TYPE	5 - PET BEGINS ON	6 - TYPE OF SHARE	7 - DIVIDENDS PER SHARE
01	RCA	25/07/2007	Interest on Capital Payable	23/01/2008	Common	0,5000000000
02	RCA	25/07/2007	Interest on Capital Payable	23/01/2008	Preferred	0,5000000000
03	RCA	21/09/2007	Interest on Capital Payable	31/03/2008	Common	0,5000000000
04	RCA	21/09/2007	Interest on Capital Payable	31/03/2008	Preferred	0,5000000000
05	RCA	27/12/2007	Interest on Capital Payable	30/04/2008	Common	0,3000000000
06	RCA	27/12/2007	Interest on Capital Payable	30/04/2008	Preferred	0,3000000000
07	AGO/E	04/04/2008	Interest on Capital Payable		Common	0,1500000000
08	AGO/E	04/04/2008	Interest on Capital Payable		Preferred	0,1500000000
09	AGO/E	04/04/2008	Dividends		Common	0,0500000000
10	AGO/E	04/04/2008	Dividends		Preferred	0,0500000000

01.01 - IDENTIFICATION

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00951-2	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	33.000.167/0001-01

01.09 - SUBSCRIBED CAPITAL AND CHANGES IN THE CURRENT YEAR

1 - ITEM	2 - DATE OF CHANGE	3 - CAPITAL (R$ Thousand)	4 - AMOUNT OF CHANGE (R$ Thousand)	5 - REASON FOR CHANGE	7 - NUMBER OF SHARES ISSUED (Thousands)	8 - SHARE ISSUE PRICE (R$)
01	04/02/2007	52.644.460	0	Revenue Reserves	0	0,0000000000

1.10 - INVESTOR RELATIONS DIRECTOR

1 - DATE	2 - SIGNATURE

01.01 - IDENTIFICATION

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00951-2	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	33.000.167/0001-01

02.01 - UNCONSOLIDATED BALANCE SHEET - ASSETS (THOUSANDS OF REAIS)

1 - Code	2 - DESCRIPTION	3 - 03/31/2008	4 - 12/31/2007
1	Total Assets	231.398.628	211.233.010
1.01	Current Assets	51.029.755	40.154.095
1.01.01	Cash and Cash Equivalents	15.088.074	7.847.949
1.01.01.01	Cash and Banks	418.821	866.147
1.01.01.02	Short Term Investments	14.669.253	6.981.802
1.01.02	Accounts Receivable, net	12.618.130	12.036.476
1.01.02.01	Customers	12.618.130	12.036.476
1.01.02.01.01	Customers	4.557.232	3.445.477
1.01.02.01.02	Subsidiary and Affiliated Companies	7.288.614	7.899.158
1.01.02.01.03	Other Accounts Receivable	1.051.253	894.533
1.01.02.01.04	Allowance for Doubtful Accounts	(278.969)	(202.692)
1.01.02.02	Miscellaneous Credits	0	0
1.01.03	Inventories	15.353.961	12.800.138
1.01.04	Other	7.969.590	7.469.532
1.01.04.01	Dividends Receivable	477.884	668.501
1.01.04.02	Recoverable Taxes	5.613.561	5.125.217
1.01.04.03	Prepaid Expenses	1.396.717	1.095.815
1.01.04.04	Other Current Assets	481.428	579.999
1.02	Non-current Assets	180.368.873	171.078.915
1.02.01	Long-Term Assets	66.906.010	63.949.619
1.02.01.01	Miscellaneous Credits	4.848.349	4.834.031
1.02.01.01.01	Petroleum and Alcohol Accounts - STN	799.362	797.851
1.02.01.01.02	Marketable Securities	3.418.573	3.386.999
1.02.01.01.03	Investments in Privatization Process	1.366	1.366
1.02.01.01.04	Other Accounts Receivable	629.048	647.815
1.02.01.02	Accounts Receivable, net	50.229.564	47.555.806
1.02.01.02.01	With Affiliates	0	0
1.02.01.02.02	With Subsidiaries	50.229.564	47.555.806
1.02.01.02.03	Other Companies	0	0
1.02.01.03	Other	11.828.097	11.559.782
1.02.01.03.01	Projects Financings	1.823.525	1.503.713
1.02.01.03.02	Deferred Income Tax and Social Contribution	1.756.521	1.776.187
1.02.01.03.03	Deferred Value-Added Tax (ICMS)	490.061	755.058
1.02.01.03.04	Deferred PASEP/COFINS	3.302.918	3.026.238
1.02.01.03.05	Compulsory Loans - Eletrobrás	0	0
1.02.01.03.06	Judicial Deposits	1.465.844	1.445.658
1.02.01.03.07	Advance for Migration - Pension Plan	1.335.876	1.296.810
1.02.01.03.08	Advances to Suppliers	376.930	396.781
1.02.01.03.09	Prepaid Expenses	722.625	809.332
1.02.01.03.10	Inventories	235.995	236.753
1.02.01.03.11	Other Non-Current Assets	317.802	313.252
1.02.02	Fixed Assets	113.462.863	107.129.296
1.02.02.01	Investments	27.940.104	26.068.789
1.02.02.02.01	In Affiliates	131.994	132.444
1.02.02.01.02	Goodwill in Affiliates	0	0
1.02.02.01.03	In Subsidiaries	24.659.550	22.433.387
1.02.02.01.04	Goodwill in Subsidiaries	1.697.644	1.075.958
1.02.02.01.05	Other Investments	349.521	349.852
1.02.02.01.06	Rights/Advances - Acquisition Investments	1.101.395	2.077.148
1.02.02.02	Property, Plant and Equipment	81.690.078	77.252.144
1.02.02.03	Intangible	3.079.068	3.074.677
1.02.02.04	Deferred Charges	753.613	733.686

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00951-2	**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**	**33.000.167/0001-01**

02.02 - UNCONSOLIDATED BALANCE SHEET - LIABILITIES (THOUSANDS OF REAIS)

1 - CODE	2 - DESCRIPTION	3 - 03/31/2008	4 - 12/31/2007
2	Liabilities and Stockholders' Equity	231.398.628	211.233.010
2.01	Current Liabilities	71.667.878	60.385.858
2.01.01	Loans and Financings	756.815	748.518
2.01.01.01	Financings	582.868	625.922
2.01.01.02	Interest on Financings	173.947	122.596
2.01.02	Debentures	0	0
2.01.03	Suppliers	7.741.585	7.431.054
2.01.04	Taxes, Contribution and Participation	8.561.230	8.493.492
2.01.05	Dividends payable	2.091.002	6.580.557
2.01.05.01	Dividends and Interest on Stockholders' Capital Payable	2.091.002	6.580.557
2.01.06	Accruals	2.739.937	3.090.081
2.01.06.01	Payroll and Related Charges	1.368.198	1.375.912
2.01.06.02	Provision for Contingencies	54.000	54.000
2.01.06.03	Pension plan	386.091	386.091
2.01.06.04	Healthcare benefits plan	429.666	429.666
2.01.06.05	Profit sharing for employees and management	501.982	844.412
2.01.07	Debts with Subsidiaries and Affiliated Companies	35.331.544	29.043.500
2.01.07.01	Suppliers	35.331.544	29.043.500
2.01.08	Other	14.445.765	5.016.656
2.01.08.01	Advances from Customers	163.232	120.326
2.01.08.02	Projects Financings	472.428	408.234
2.01.08.03	Non-Standardized Credit Rights Investment Fund	11.134.392	1.978.332
2.01.08.04	Other	2.675.713	2.509.764
2.02	Non-Current Liabilities	36.967.289	34.834.917
2.02.01	Non-Current Liabilities	36.709.559	34.834.917
2.02.01.01	Loans and Financings	6.023.776	4.811.988
2.02.01.01.01	Financings	6.023.776	4.811.988
2.02.01.02	Debentures	0	0
2.02.01.03	Accruals	22.662.942	21.335.040
2.02.01.03.01	Healthcare Benefits Plan	8.818.779	8.554.276
2.02.01.03.02	Provision for Contingencies	210.942	208.415
2.02.01.03.03	Pension Plan	4.169.171	4.138.672
2.02.01.03.04	Deferred Income Tax and Social Contribution	9.464.050	8.433.677
2.02.01.04	Subsidiaries and Affiliated Companies	1.676.173	2.374.256
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Others	6.346.668	6.313.633
2.02.01.06.01	Provision for Dismantling of Areas	5.918.916	5.854.072
2.02.01.06.02	Others Accounts and Expenses Payable	427.752	459.561
2.02.02	Deferred Income	257.730	0
2.04	Shareholders' Equity	122.763.461	116.012.235
2.04.01	Capital	52.644.460	52.644.460
2.04.01.01	Subscribed and Paid-In Capital	52.644.460	52.644.460
2.04.01.02	Monetary Restatement of Capital	0	0
2.04.02	Capital Reserves	1.553.831	1.553.831
2.04.02.01	AFRMM and Other	169.142	169.142
2.04.02.02	Fiscal Incentive - Income Tax	1.384.689	1.384.689
2.04.03	Revaluation Reserve	51.171	61.520
2.04.03.01	Own Assets	0	0
2.04.03.02	Subsidiaries and Affiliated Companies	51.171	61.520
2.04.04	Revenue Reserves	61.752.424	61.752.424
2.04.04.01	Legal	7.612.508	7.612.508
2.04.04.02	Statutory	504.544	504.544

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02.02 - UNCONSOLIDATED BALANCE SHEET - LIABILITIES (THOUSANDS OF REAIS)

1 - Code	2 - DESCRIPTION	3 - 03/31/2008	4 - 12/31/2007
2.04.04.03	For Contingencies	0	0
2.04.04.04	Unrealized Earnings	0	0
2.04.04.05	Retention of Earnings	53.635.372	53.635.372
2.04.04.06	Undistributed Dividends	0	0
2.04.04.07	Others Revenue Reserves	0	0
2.04.05	Retained Earnings / (Accumulated losses)	6.761.575	0
2.04.06	Advance for Future Capital Increase	0	0

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00951-2	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	33.000.167/0001-01

03.01 - UNCONSOLIDATED STATEMENT OF INCOME FOR THE QUARTER (THOUSANDS OF REAIS)

1 - Code	2 - DESCRIPTION	3- 01/01/2008 a 03/31/2008	4- 01/01/2008 a 03/31/2008	5- 01/01/2007 to 03/31/2007	6- 01/01/2007 to 03/31/2007
3.01	Gross Operating Revenues	44.861.602	44.861.602	37.985.933	37.985.933
3.02	Sales Deductions	(11.053.277)	(11.053.277)	(10.117.850)	(10.117.850)
3.03	Net Operating Revenues	33.808.325	33.808.325	27.868.083	27.868.083
3.04	Cost of Products and Services Sold	(19.654.601)	(19.654.601)	(15.281.846)	(15.281.846)
3.05	Gross profit	14.153.724	14.153.724	12.586.237	12.586.237
3.06	Operating Expenses	(4.117.968)	(4.117.968)	(5.794.442)	(5.794.442)
3.06.01	Selling	(1.486.078)	(1.486.078)	(1.256.698)	(1.256.698)
3.06.02	General and Administrative	(1.092.241)	(1.092.241)	(1.036.476)	(1.036.476)
3.06.02.01	Management and Board of Directors Remuneration	(1.452)	(1.452)	(1.008)	(1.008)
3.06.02.02	Administrative	(1.090.789)	(1.090.789)	(1.035.468)	(1.035.468)
3.06.03	Financial	427.373	427.373	396.932	396.932
3.06.03.01	Income	1.361.252	1.361.252	985.634	985.634
3.06.03.02	Expenses	(933.879)	(933.879)	(588.702)	(588.702)
3.06.04	Other Operating Income	0	0	0	0
3.06.05	Other Operating Expenses	(2.764.578)	(2.764.578)	(3.950.350)	(3.950.350
3.06.05.01	Taxes	(90.325)	(90.325)	(155.289)	(155.289)
3.06.05.02	Cost of Research and Technological Development	(413.304)	(413.304)	(379.631)	(379.631)
3.06.05.03	Impairment	0	0	0	0
3.06.05.04	Exploratory Costs for the Extraction of Crude Oil and Gas	(538.064)	(538.064)	(215.828)	(215.828)
3.06.05.05	Healthcare and Pension Plan	(335.942)	(335.942)	(1.386.180)	(1.386.180)
3.06.05.06	Monetary and Foreign Exchange Variations, Net	(281.959)	(281.959)	(972.097)	(972.097)
3.06.05.07	Other Operating Expenses, Net	(1.104.984)	(1.104.984)	(841.325)	(841.325)
3.06.06	Equity Pick-up	797.556	797.556	52.150	52.150
3.07	Operating Income	10.035.756	10.035.756	6.971.795	6.971.795
3.08	Non-operating Income	848	848	(724)	(724)

(A free translation from the original in Portuguese)

FEDERAL PUBLIC SERVICE
BRAZILIAN SECURITIES COMMISSION (CVM)
ITR - QUARTERLY INFORMATION - As of - 03/31/2008 **Corporation Law**
COMMERCIAL, INDUSTRIAL & OTHER TYPES OF COMPANY

01.01 - IDENTIFICATION

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03.01 - UNCONSOLIDATED STATEMENT OF INCOME FOR THE QUARTER (THOUSANDS OF REAIS)

1 - Code	2 - DESCRIPTION	3- 01/01/2008 a 03/31/2008	4- 01/01/2008 a 03/31/2008	5- 01/01/2007 to 03/31/2007	6- 01/01/2007 to 03/31/2007
3.08.01	Revenues	35.423	35.423	16.829	16.829
3.08.02	Expenses	(34.575)	(34.575)	(17.553)	(17.553)
3.09	Income before Taxes/Profit Sharing and Minority Interests	10.036.604	10.036.604	6.791.071	6.791.071
3.10	Income Tax and Social Contribution	(2.715.928)	(2.715.928)	(2.419.110)	(2.419.110)
3.11	Deferred Income Tax	(569.451)	(569.451)	(35.641)	(35.641)
3.12	Statutory Participations / Contributions	0	0	0	0
3.12.01	Participations	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Stockholders' Capital	0	0	0	0
3.15	Net Income for the period	6.751.225	6.751.225	4.336.320	4.336.320
	Number of Shares. Ex-Treasury (Thousands)	4.387.038	4.387.038	4.387.038	4.387.038
	Net Income per Share	1,53890	1,53890	0,98844	0,98844
	Loss per Share				

1 Presentation of the quarterly financial information

1.1 Significant accounting policies

The quarterly information has been produced in accordance with the accounting practices adopted in Brazil, in conformity with Brazilian Corporation Law and the standards and procedures laid down by the Brazilian Securities and Exchange Commission - CVM.

Certain balances relating to prior periods were reclassified in order to properly compare the interim financial information between the periods.

The authorization for concluding the preparation of these financial statements was granted at the Meeting of the Board of Directors held on May 12, 2008.

2. Conformity to Law No. 11.638/2007

Law No. 11.638 of December 28, 2007 amended and revoked several provisions of Law No. 6.404/76 and 6.385/76 that address the preparation of the financial statements, with the objective to enable the future convergence of Brazilian accounting practices to international accounting standards (IFRS) These amendments are to be applied to the financial statements at the end of the financial year of 2008.

It should be noted that many of the provisions amended by the new law depend upon regulations to be issued by the Brazilian Securities and Exchange Commission – CVM.

On May 2, 2008, the CVM issued Instruction No. 469/08 that addresses the application of Law No. 11.638/07. In this instruction, companies are given the option as to whether to immediately apply all the accounting provisions contained in the new law to the Quarterly Information (ITRs) in the financial year of 2008, or to inform the amendments that could have effects on the financial statements at the end of the financial year of 2008 in the notes to the ITRs, estimating the possible effects on shareholders' equity and net income for the period.

04.01 – NOTES TO QUARTERLY INFORMATION

Petrobras opted to inform the effects of the new Law in the notes to the ITRs, in addition to effectively recording in the financial statements of March 31, 2008 those items deemed mandatory by Instruction No. 469/08, namely:

a. Tax incentives resulting from government investment subsidies or donations will no longer be classified under capital reserve, and will instead now be included in the income statement for the period. Company Management may set aside the amount of net income that corresponds to these incentives to form a profit reserve, which may be excluded from the basis of calculation of the obligatory dividend.

The amounts of R$ 257.730 thousand (in both the Parent Company and Consolidated statements) relating to the tax incentives of the first quarter of 2008 have been recorded as deferred income until this matter is regulated definitively.

b. Investments in affiliated companies in which management has significant influence, or in which it holds a 20% (twenty percent) or more interest in the voting capital, in subsidiaries and in other companies that form part of the same group or are under common control, are to be evaluated by the equity method.

The evaluation of investments in affiliated companies by the equity method, in line with the rule described above, must be reflected in the financial statements of March 31, 2008. However, no relevant effects have yet been identified in this respect.

c. Adjustments to present value of assets and liabilities resulting from long term operations and relevant short-term operations.

Adjustments to present value of assets and liabilities resulting from long term operations and relevant short-term operations, should be reflected in the financial statements of March 31, 2008, but no relevant effects have yet been identified with regard to these items.

04.01 – NOTES TO QUARTERLY INFORMATION

Among the main amendments introduced by Law No. 11.638/07, we draw attention to the following issues that in the opinion of our Management will modify the form of presentation of our financial statements, as a result of the new criteria for determining the income and equity and financial position of the Company, as from the financial year of 2008. The effects presented were based on the Company's best estimates for the pro-forma financial statements of March 31, 2008, with no comparison with previous periods:

a. Increases and reductions in amounts attributed to items in the assets, as a result of their having been valued at market prices, as follows:

Investments in financial instruments, including derivatives, and in credit rights and securities in the current or long term assets, when "saleable" or "negotiable". Other financial instruments are to be restated at present value or adjusted to probable realization value, if this is lower.

b. In operations involving transformations, mergers, consolidations and spin-offs between independent parties and in which control is effectively transferred, the assets and liabilities of the company to be merged or resulting from consolidation or spin-off are to be recorded at market value.

c. Capitalization and recognition of debts relating to leasing expenses.

d. Existing balances of reassessment reserves may, optionally, be written back by the end of the financial year of 2008.

The Company will advise during the second quarter of 2008 as to whether it will maintain or write back the balances of the respective reassessment reserves, as per CVM Instruction 496/08.

e. Classification under deferred assets has been restricted to pre-operating expenses and restructuring expenses that contribute to the increase in income in more than one financial period.

f. In addition, on January 29, 2008, the CVM issued CVM Resolution 534/08 which addresses the changes in foreign exchange rates and currency conversion of financial statements.

This resolution is applicable to the financial year ending December 31, 2008. Petrobras opted to inform the effects of this resolution in the notes to the Quarterly Information as from the first quarter of 2008.

04.01 – NOTES TO QUARTERLY INFORMATION

We estimate effects on revenue of R$ 30.186 thousand (Parent Company) and R$ 10.468 thousand (Consolidated), and on Shareholders' Equity, with no effect in the Parent Company statements and a reduction of R$ 2.067 thousand in the Consolidated statements, relating to currency conversion of the financial statements and exchange losses calculated on investments in companies based abroad.

In light of the above, the Company's Management will continue to evaluate the effects resulting from the future regulations.

ASSETS	March 31, 2008 R$ Thousand			
	Consolidated		Parent Company	
	6.404/76 (as informed)	Pro-forma 11.638/07 (Estimated) *	6.404/76 (as informed)	Pro-forma 11.638/07 (Estimated) *
Current				
Cash and Cash Equivalents	11.559.610	11.559.610	15.088.074	15.088.074
Accounts Receivable, net	12.945.569	12.945.569	12.618.130	12.618.130
Dividends Receivable	51.236	51.236	477.884	477.884
Inventories	19.395.378	19.395.677	15.353.961	15.353.961
Taxes, Contributions and Participations	8.168.892	8.168.892	5.613.561	5.613.561
Prepaid Expenses	1.522.448	1.522.446	1.396.717	1.048.819
Other Current Assets	1.654.601	1.659.907	481.428	486.733
	55.297.734	**55.303.337**	**51.029.755**	**50.687.162**
Non-Current				
Long-Term Assets				
Accounts Receivable, net	2.529.497	2.529.497	50.858.612	50.858.612
Petroleum and alcohol account - STN	799.362	799.362	799.362	799.362
Marketable securities	3.730.015	3.730.015	3.418.573	3.418.573
Projects financings			1.823.525	1.823.525
Advance to Suppliers	421.098	421.098	376.930	376.930
Judicial Deposits	1.728.373	1.728.373	1.465.844	1.465.844
Investments in privatization process	3.228	3.228	1.366	1.366
Prepaid Expenses	1.480.125	1.478.953	722.625	42.528
Advance for Migration - Pension Plan	1.335.876	1.335.876	1.335.876	1.335.876
Deferred Income Tax and Social Contribution	8.180.049	8.187.013	5.549.500	5.549.500
Inventories	235.995	235.995	235.995	235.995
Other Non-current Assets	816.039	816.039	317.802	317.802
	21.259.657	**21.265.449**	**66.906.010**	**66.225.913**
Investments	7.840.916	4.982.518	27.940.104	30.098.776
Property, plant and equipment	146.983.563	148.506.674	81.690.078	99.436.415
Intangible assets	5.737.547	8.673.796	3.079.068	5.558.531
Deferred assets	2.756.911	2.710.157	753.613	708.509
	184.578.594	**186.138.594**	**180.368.873**	**202.028.144**
	239.876.328	**241.441.931**	**231.398.628**	**252.715.306**

* includes the effects of CVM Resolution 534/08

04.01 – NOTES TO QUARTERLY INFORMATION

Liabilities	March 31, 2008 R$ Thousand			
	Consolidated		Parent Company	
	6.404/76 (as informed)	Pro-forma 11.638/07 (Estimated) *	6.404/76 (as informed)	Pro-forma 11.638/07 (Estimated) *
Current				
Financings	6.514.246	6.514.246	582.868	582.868
Interest on Financings	684.654	684.654	173.947	173.947
Leasing obligations		437.542		114.566
Suppliers	14.608.806	14.608.806	43.073.129	43.073.129
Taxes, Contributions and Participations	10.207.202	10.207.132	8.561.230	8.561.230
Dividends Proposed	2.091.002	2.091.002	2.091.002	2.091.002
Projects financings	147.250	147.250	472.428	472.428
Provision for Pension plan	424.936	424.936	386.091	386.091
Provision for Healthcare Plan	455.214	455.214	429.666	429.666
Payroll and related charges	1.668.786	1.668.786	1.368.198	1.368.198
Provision for Contingencies	54.000	54.000	54.000	54.000
Advances from Customers	469.487	469.487	163.232	163.232
Profit sharing for employees and management	584.432	584.432	501.982	501.982
Non-standard Credit Rights Investment Fund			11.134.392	11.134.392
Other Accounts and Expenses Payable	4.427.545	4.427.545	2.675.713	2.675.713
	42.337.560	**42.775.032**	**71.667.878**	**71.782.444**
Non-Current				
Financings	34.684.662	34.684.662	6.023.776	6.023.776
Leasing obligations		991.084		21.705.002
Subsidiaries and affiliated companies	95.197	95.197	1.676.173	1.676.173
Deferred Income Tax and Social Contribution	11.639.439	11.606.858	9.464.050	9.431.469
Provision for Pension plan	4.564.735	4.564.735	4.169.171	4.169.171
Provision for Healthcare Plan	9.557.596	9.557.596	8.818.779	8.818.779
Provision for Contingencies	758.379	758.379	210.942	210.942
Provision for Dismantling of Areas	6.203.279	6.203.279	5.918.916	5.918.916
Other Accounts and Expenses Payable	1.225.949	1.225.949	427.752	427.752
	68.729.236	**69.687.739**	**36.709.559**	**58.381.980**
Deferred income	1.733.533	1.733.737	257.730	257.730
Minority Interests	6.240.475	6.882.272		
Shareholders' Equity				
Capital	52.644.460	52.644.460	52.644.460	52.644.460
Capital Reserves	1.553.831	1.553.831	1.553.831	1.553.831
Equity adjustment		(164.101)		(30.186)
Reassessment Reserves	51.171	51.171	51.171	51.171
Revenue Reserves	59.661.000	58.964.862	61.762.774	60.915.066
Net Income	6.925.062	7.312.928	6.751.225	7.158.810
	120.835.524	**120.363.151**	**122.763.461**	**122.293.152**
	239.876.328	**241.441.931**	**231.398.628**	**252.715.306**

* includes the effects of CVM Resolution 534/08

04.01 – NOTES TO QUARTERLY INFORMATION

Income	1st Quarter 2008 R$ thousand			
	Consolidated		Parent Company	
	6.404/76 (as informed)	Pro-forma 11.638/07 (Estimated) *	6.404/76 (as informed)	Pro-forma 11.638/07 (Estimated) *
Gross operational Revenues				
Sales				
Products	59.120.763	59.069.366	44.773.701	44.773.701
Services, mainly freight	36.768	32.478	87.901	87.901
	59.157.531	**59.101.844**	**44.861.602**	**44.861.602**
Sales Deductions	(12.265.401)	(12.261.156)	(11.053.277)	(11.053.277)
Net Operating Revenues	**46.892.130**	**46.840.688**	**33.808.325**	**33.808.325**
Cost of Products and Services Sold	(29.639.424)	(29.592.209)	(19.654.601)	(19.750.427)
Gross profit	**17.252.706**	**17.248.479**	**14.153.724**	**14.057.898**
Other operating revenue (expenses)				
Sales	(1.591.617)	(1.590.408)	(1.486.078)	(1.486.078)
Financings				
Expenses	(814.199)	(839.138)	(933.879)	(1.140.041)
Revenue	705.142	714.205	1.361.252	1.366.557
Monetary and Foreign Exchange Variations, net	(290.505)	(111.518)	(281.959)	(91.950)
General and Administrative				
Management and Directors' Remuneration	(8.525)	(8.515)	(1.452)	(1.452)
Administrative	(1.556.350)	(1.555.236)	(1.090.789)	(1.090.789)
Taxes	(149.128)	(148.987)	(90.325)	(90.325)
Cost of Research and Technological Development	(416.852)	(416.852)	(413.304)	(413.304)
Exploratory Costs for the Oil and Gas Extraction	(685.437)	(684.560)	(538.064)	(538.064)
Healthcare and Pension Plans	(356.073)	(356.073)	(335.942)	(335.942)
Other Operating Expenses, Net	(1.144.638)	(1.143.771)	(1.104.984)	(1.104.984)
	(6.308.182)	**(6.140.853)**	**(4.915.524)**	**(4.926.372)**
Participation in Subsidiaries and Affiliated companies				
Equity pick-up	11.926	312.107	797.556	1.279.235
Operating Income	**10.956.450**	**11.419.733**	**10.035.756**	**10.410.761**
Non-operating expenses	(12.777)	(12.722)	848	848
Income before Taxes/Profit Sharing and Minority Interests	**10.943.673**	**11.407.010**	**10.036.604**	**10.411.609**
Social contribution	(1.028.613)	(1.019.965)	(876.206)	(867.582)
Income Tax	(2.942.063)	(2.917.360)	(2.409.173)	(2.385.217)
Income before profit sharing for employees and management and minority interest	**6.972.997**	**7.469.686**	**6.751.225**	**7.158.810**
Profit sharing for employees and management				
Income before Minority Interest	**6.972.997**	**7.469.686**	**6.751.225**	**7.158.810**
Minority Interest	(47.935)	(156.758)		
Net Income for the period	**6.925.062**	**7.312.928**	**6.751.225**	**7.158.810**

* includes the effects of CVM Resolution 534/08

3 Cash and cash equivalents

	R$ thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Cash and banks	1.714.885	2.329.575	418.821	866.147
Short Term Investments				
Local:				
Exclusive investment funds				
Currency		-		-
DI	1.828.248	1.600.197	19.421	1.048.495
Government Bonds	614.936	915.015		-
Credit rights			10.779.696	2.254.378
Financial investment funds:				-
Currency	19.873	40.541		
DI	1.545.405	1.640.094		-
Other	483.609	669.598		-
	4.492.107	4.865.445	10.799.117	3.302.873
Foreign:				
“Time deposit”	2.199.113	2.165.182	1.964.897	1.670.407
Fixed-income securities	3.153.505	3.710.647	1.905.239	2.008.522
	5.352.618	5.875.829	3.870.136	3.678.929
Total short term Investments	9.844.725	10.741.274	14.669.253	6.981.802
Total cash and cash equivalents	**11.559.610**	**13.070.849**	**15.088.074**	**7.847.949**

04.01 – NOTES TO QUARTERLY INFORMATION

Local short term investments provide immediate liquidity and are mainly comprised of quotas in exclusive funds, which funds are invested in federal public bonds and financial derivative operations, executed by fund managers and tied to US Dollar futures contracts and Interbank Deposits (DI) guaranteed by the Brazilian Stock and Futures Exchange (BM&F). Exclusive funds do not have any significant financial obligations and are limited to daily obligations of adjustments to the positions of the BM&F, auditing services, services fees regarding custody of assets and execution of financial operations and other administrative expenses. Short-term investments balances are recorded at cost plus accrued income, which is recognized proportionately up to the balance sheet date at amounts not exceeding their respective market values.

At March 31, 2008, the Parent Company had amounts invested in the Petrobras Group's Non-Standardized Credit Rights Investment Fund (FIDC-NP). This investment fund is predominantly intended for acquiring credit rights, performed and/or non-performed, of operations carried out by companies in the Petrobras System, and aims to optimize the financial management of the funds of the Parent Company and its Subsidiaries. The assignment of credit rights recorded in the current liabilities of the Parent Company in the amount of R$ 11.134.392 thousand, was offset in the Consolidated statements by the amounts invested in the FIDC-NP. The investments in government bonds of the FIDC-NP are recorded under cash and cash equivalents (Consolidated statements) due to their respective terms. In accordance with Directive Release CVM/SNC/SEP No. 01/2007, Petrobras consolidates the FIDC in its financial statements.

At March 31, 2008 and December 31, 2007, the Company and its subsidiary PifCo had amounts invested abroad in an exclusive investment fund that held, among others, debt securities of some of the Petrobras System companies and a Special Purpose Company established in connection with the Company's projects, mainly the CLEP and Malhas projects, in the amount equivalent to R$ 7.481.013 thousand and R$ 7.082.600 thousand, respectively. This amount refers to consolidated companies and was offset against the balance of financing classified under current and non-current liabilities.

4 Accounts receivable, net

	R$ thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Customers				
Third parties	13.903.409	13.237.310	4.557.232	3.445.477
Related parties (Note 4.1)	1.183.366	1.163.682	57.518.178 (*)	55.454.964 (*)
Other	2.737.303	2.117.834	1.680.301	1.542.348
	17.824.078	16.518.826	63.755.711	60.442.789
Less: Uncollectible accounts	(2.349.012)	(2.287.957)	(278.969)	(202.692)
	15.475.066	14.230.869	63.476.742	60.240.097
Less: long-term accounts receivable, net	(2.259.497)	(2.901.902)	(50.858.612)	(48.203.621)
Short-term accounts receivable, net	**12.945.569**	**11.328.967**	**12.618.130**	**12.036.476**

(*) Does not include dividends receivable of R$ 477.884 thousand as at March 31, 2008 (R$ 668.501 thousand as at December 31, 2007) and reimbursements receivable of R$ 1.433.399 thousand as at March 31, 2008 (R$ 1.297.516 thousand as at December 31, 2007).

	R$ thousand			
	Consolidated		Parent Company	
Change in provision for uncollectible accounts	**03.31.2008**	**12.31.2007**	**03.31.2008**	**12.31.2007**
Balance at start of quarter	2.287.957	2.330.672	202.692	214.968
Additions	101.477	281.939	80.060	249.097
Write offs (*)	(40.422)	(324.654)	(3.783)	(261.373)
Balance at end of quarter	**2.349.012**	**2.287.957**	**278.969**	**202.692**
Short-term	1.392.946	1.323.496	278.969	202.692
Long-term	956.066	964.461	-	-

(*) Includes exchange variation of provision for uncollectible accounts constituted at foreign companies.

5 Related Parties

Petrobras carries out commercial transactions with its subsidiaries, affiliated companies and special purpose companies on normal market terms. The transactions for purchase of oil and oil products from the subsidiary PifCo carried out by Petrobras feature longer term for settlement, since PifCo is a subsidiary created for this purpose, considering the levy of the related changes in the period. The amounts related to export prepayments and international market funding are made at the same rate obtained by the subsidiary. The value, income and/or charges in connection with other transactions, especially intercompany loans, are established on normal market terms/or in accordance with applicable legislation.

5.1 Assets

R$ Thousand

	Parent Company							
	Current Assets		Long-term Assets					
	Account receivables, mainly from sales	Dividends receivable	Advance for capital increase	Amounts referring to the construction of platforms and gas pipelines	Intercompany operations	Other operations	Reimbursements receivable	Total assets
Petroquisa and subsidiaries *	59.968				4			59.972
BR Distribuidora and subsidiaries*	1.155.421	327.554			233.305			1.716.280
Gaspetro and subsidiaries*	539.804	81.619	9.462	847.903	12.481			1.491.269
PifCo and subsidiaries	2.897.408				30.173.682	28.137		33.099.227
PNBV and subsidiaries	3.490		8.601			4.151		16.242
Downstream and subsidiary	265.644	42.161			342.806			650.611
Transpetro and subsidiary	340.992							340.992
PIB-BV Holanda and subsidiaries *	182.556					66.670		249.226
Brasoil and subsidiary	8.533				17.322.329			17.330.862
BOC	20				475.095			475.115
Petrobras Comercializadora de Energia Ltda.	71.719		198.000					269.719
Ipiranga Asfaltos	15.934							15.934
Suzano Petroquímica S.A.	53.407							53.407
Other subsidiaries and affiliated companies	1.693.718	26.550	106.281		400.647	11		2.227.207
Petrobras Negócios Eletrônicos	487	3.008						3.495
Thermoelectric Power Stations	359.054	23.542	34.900		400.647			818.143
Affiliated companies	123.651							123.651
Other	1.210.526		71.381			11		1.281.918
Specific Purpose Companies							1.433.399	1.433.399
03/31/2008	7.288.614	477.884	322.344	847.903	48.960.349	98.969	1.433.399	59.429.462
12/31/2007	7.899.158	668.501	1.038.465	875.134	45.535.632	106.575	1.297.516	57.420.981

* Include affiliated companies operations

R$ Thousand

Interest Rates of Intercompany Assets		
Index	**March-08**	**December-08**
TJLP + 5% p.a.	294.804	293.618
LIBOR + 1 to 3% p.a.	47.971.106	44.578.600
1,70% p.a.	342.806	308.469
101% of CDI	188.416	192.976
14,5% p.a.	85.102	84.787
IGPM + 6% p.a.	78.111	77.178
Other rates	4	4
	48.960.349	**45.535.632**

Bolivia-Brazil Gas pipeline

The Bolivian section of the gas pipeline is the property of Gás Transboliviano S.A. (GTB), in which Gaspetro holds a minority interest (11%).

A US$ 350 million turn-key contract for the construction of the Bolivian section of the pipeline was signed by Petrobras and Yacimientos Petrolíferos Fiscales Bolivianos (YPFB), which assigned its rights under this contract to GTB, to be paid over 12 years, from January 2000 onwards, in the form of transportation services.

On March 31, 2008, the balance of the rights to future transportation services, on account of costs already incurred in the construction up to that date, including interest of 10,7% p.a., is R$ 482.039 thousand (R$ 506.239 thousand on December 31, 2007), being R$ 376.930 thousand (R$ 396.781 thousand on December 31, 2007) classified under non-current assets as advances to suppliers. This amount also includes R$ 108.864 thousand (R$ 111.143 thousand on December 31, 2007) relating to the anticipated acquisition of the right to transport 6 million cubic meters of gas over a 40-year period (TCO - Transportation Capacity Option).

The Brazilian section of the gas pipeline is the property of Transportadora Brasileira Gasoduto Bolívia-Brasil S.A. (TBG), a Gaspetro subsidiary. On March 31,2008, Petrobras' total receivables from TBG for management, recharge of costs and financing relating to the construction of the gas pipeline and anticipated acquisition of the right to transport 6 million cubic meters of gas over a 40-year period (TCO) amounted to R$ 847.903 thousand (R$ 875.134 thousand on December 31, 2007), classified under non-current assets as accounts receivable net.

5.2 Liabilities

	R$ Thousand								
	Parent Company								
	Current Liabilities					Non-Current Liabilities			
	Suppliers of mainly oil and oil products	Advance from customers	Oil rigs freight	Operations with Project Financing	Other Operations	Intercompany Loans	Export prepayments	Other Operations	**Total Liabilities**
Petroquisa and its subsidiaries *	(25.187)	(13)			(27)				(25.227)
PeTrobras Distribuidora S.A. and its subsidiaries *	(210.591)	(18.767)						(965.264)	(1.194.622)
Gaspetro and its subsidiaries *	(526.383)	(136.582)							(662.965)
PifCo and its subsidiaries	(31.420.514)	(97.286)					(667.728)		(32.185.528)
PNBV and its subsidiaries	(308.106)		(1.298.174)						(1.606.280)
Downstream and its subsidiary	(56.431)								(56.431)
Transpetro and its subsidiary	(533.836)				(50)				(533.886)
PIB-BV Holanda and its subsidiaries *	(205.247)	(41.510)			(354)				(247.111)
Brasoil and its subsidiaries	(12.853)		(13.965)						(26.818)
Petrobras Comercializadora de Energia Ltda	(13.326)								(13.326)
Other subsidiaries and associated companies	(412.310)	(32)				(43.181)			(455.523)
E-Petro and its subsidiary	(4.165)								(4.165)
Thermoeletric Power Stations	(273.844)								(273.844)
Afilliated Companies	(43.352)								(43.352)
Others	(90.949)	(32)				(43.181)			(134.162)
Specific Purpose Companies				(325.178)					(325.178)
03/31/2008	**(33.724.784)**	**(294.190)**	**(1.312.139)**	**(325.178)**	**(431)**	**(43.181)**	**(667.728)**	**(965.264)**	**(37.332.895)**
12/31/2007	**27.443.288**	**(436.111)**	**(1.163.670)**	**(366.764)**	**(431)**	**(41.951)**	**(705.686)**	**(1.626.619)**	**(31.784.520)**

* Include affiliated companies operations

5.3 Income Statement

	R$ Thousand			
	Parent Company			
	Income Statement			
	Operational income mainly from sales	Financial income (Expenses), net	Monetary Exchange Variations, net	TOTAL
Petroquisa and Subsidiaries	242.209		1.086	**243.295**
Petrobras Distribuidora S.A. and Subsidiaries	11.366.136	(34.498)	8.299	**11.339.937**
Gaspetro and Subsidiaries	957.985	(10.381)	(529)	**947.075**
PifCo and Subsidiaries	3.571.714	12.188	73.507	**3.657.409**
PNBV and Subsidiaries			2.804	**2.804**
Downstream and Subsidiary	779.326	1.265	31.631	**812.222**
Transpetro and Subsidiariary	113.438		4.307	**117.745**
PIB-BV Holanda and Subsidiaries	24.797		3.380	**28.177**
Brasoil and Subsidiaries		304.392	(285.200)	**19.192**
BOC		8.670	(5.842)	**2.828**
Petrobras Comercializadora de Energia Ltda	135.004			**135.004**
Other subsidiaries and associated companies	1.742.383	8.717	8.398	**1.759.498**
Petrobras Negócios Eletrônicos			76	**76**
Thermoeletric Power Stations	73.903	9.947	2.349	**86.199**
Affiliated companies	1.668.480	(1.230)	5.973	**1.673.223**
Specific Purpose Companies	24.304			**24.304**
1st Quarter 2008	**18.957.296**	**290.353**	**(158.159)**	**19.089.490**
1st Quarter 2007	**16.047.058**	**270.610**	**(591.934)**	**15.725.734**

(*) Including operations with a jointly-controlled company

5.4 Transactions with Government Entities and Pension Funds

The Company is controlled by the Federal Government and carries out several transactions with government entities as part of its operations.

Significant transactions with government entities and the pension funds are presented as follows:

	R$ thousand			
	Consolidated			
	03.31.2008		12.31.2007	
	Assets	Liabilities	Assets	Liabilities
Petros (Pension Fund)	1.335.876	559.484	1.296.810	411.759
Banco do Brasil S.A.	2.759.697	2.216.345	2.812.802	1.138.723
BNDES		7.742.927		6.731.721
Federal Government - Dividends Proposed		725.119		2.119.887
Judicial Deposits (CEF and BB)	1.542.214	155.475	1.529.964	155.475
Petroleum and alcohol account - Federal Government Credits	799.362		797.851	
Government Bonds (NTNs)	3.569.733		3.675.246	
Other	652.718	393.514	1.124.058	704.101
	10.659.600	**11.792.864**	**11.236.731**	**11.261.666**
Current	3.165.568	3.739.898	3.556.208	4.960.750
Non-current	7.494.032	8.052.966	7.680.523	6.300.916

Balances are classified in Balance Sheet as follows:

	R$ thousand			
	Consolidated			
	03.31.2008		12.31.2007	
	Assets	Liabilities	Assets	Liabilities
Assets				
Current	3.165.568		3.804.821	
Cash and cash equivalents	2.709.177		3.045.885	
Accounts receivable, net	85.132		261.194	
Other current assets	371.259		497.842	
Non-current	7.494.032		7.431.810	
Petroleum and alcohol account - STN	799.362		797.851	
Judicial deposits	1.542.214		1.529.964	
Advances to pension plan	1.335.876		1.296.810	
Marketable securities	3.413.759		3.392.129	
Other long term assets	402.821		415.056	
Liabilities				
Current		3.739.898		4.960.750
Financing loans		2.105.627		1.888.573
Proposed dividends		725.119		2.119.887
Other current liabilities		909.152		952.290
Non-current		8.052.966		6.300.916
Financing loans		7.586.680		6.090.706
Other liabilities		466.286		210.210
	10.659.600	**11.792.864**	**11.236.731**	**11.261.666**

6 Inventories

	R$ thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Products:				
Oil products (*)	6.171.078	4.823.515	5.028.331	3.378.905
Fuel alcohol (*)	323.394	320.131	107.159	89.612
	6.494.472	5.143.646	5.135.490	3.468.517
Raw materials, mainly crude oil (*)	8.161.855	8.132.362	6.424.899	5.805.167
Maintenance materials and supply (*)	3.050.285	2.832.548	2.661.925	2.503.489
Advances to suppliers	1.456.771	1.346.742	1.305.272	1.224.645
Other	467.990	380.456	62.370	35.073
Total	**19.631.373**	**17.835.754**	**15.589.956**	**13.036.891**
Short-term	19.395.378	17.599.001	15.353.961	12.800.138
Long-term	235.995	236.753	235.995	236.753

(*) includes imports in progress.

7 Petroleum and alcohol account - STN

In order to conclude the settlement of accounts with the Federal Government, pursuant to Provisional Measure nº 2.181, of August 24, 2001, and after providing all the information required by the National Treasury Office - STN, Petrobras is seeking to settle all the remaining outstanding differences between the parties, which currently refer to alleged debts resulting from credit operations involving the terminated company, Interbras.

In November 2007, in a continuation of the negotiations with the STN, Petrobras once again formalized its understanding that the alleged debts had never been owed by Interbras and requested that securities be issued to settle the balance of the Petroleum and Alcohol Accounts, and possible use of the securities to pay Petrobras' actuarial debts to Petros.

As at March 31, 2008, the balance of the account of R$ 799.362 thousand (R$ 797.851 thousand as at December 31, 2007) could be settled by the Federal Government by issuing National Treasury notes, equal in value to the final balance of the settlement of accounts or by offsetting against other amounts that Petrobras may owe the Federal Government at the time, including tax-related amounts or a combination of foregoing operations.

8 Marketable securities

Marketable securities classified as non-current assets are comprised as follows:

	R$ thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
NTN-B	3.410.210	3.378.692	3.410.210	3.378.692
Bank securities	8.624	239.685		
B Certificates	133.981	135.682		
Other	177.200	168.311	8.363	8.307
	3.730.015	**3.922.370**	**3.418.573**	**3.386.999**

The B Series National Treasury Notes will be used to guarantee future long term agreements entered into with Petros, to settle amounts owed by Petrobras. The face value of the NTN-Bs is restated based on variations in the Amplified Consumer Price Index (IPCA). Interest coupons will be paid at half-yearly intervals based on the set rates for buy transactions and range from 6,12% to 7,20% p.a.. The due dates of these notes are 2024 and 2035, with withdrawal to be made in full on their respective maturity dates.

Bank and corporate securities have a maturity date of 2014 and an interest yield of 8,50% p.a.

The B certificates, which were received by Brasoil on account of the sale of platforms in 2000 and 2001, have semi-annual maturity dates until 2011 and yield interest equivalent to the Libor rate plus 2,5% p.a. to 4,25% p.a..

9 Projects financings

Petrobras develops projects together with local and international finance agencies and companies in the oil and energy sector to establish operational partnerships for the purpose of making viable investments necessary in the business areas in which the Company operates.

Considering that the project financings are implemented by Special Purpose Companies (SPCs), whose activities are, essentially, controlled by Petrobras, the expenses incurred by the Company on projects being negotiated or which have been negotiated with third parties are classified in the consolidated financial statements as non-current assets - property, plant and equipment.

9.1 Special purpose companies

a) Projects Financings

Project/ Estimated Amount of Investment	Purpose	Main guarantees	Current phase
Barracuda and Caratinga US$ 3,1 billion	To allow development of production in the fields of Barracuda and Caratinga in the Campos Basin. The SPC Barracuda and Caratinga Leasing Company B.V. (BCLC), is in charge of building all of the assets (wells, submarine equipment and production units) required by the project, and is also the owner of them.	Guarantee provided by Brasoil to cover BCLC's financial requirements.	In operation, with constitution of assets in final stages.
Marlim US$ 1,5 billion	Consortium with Companhia Petrolífera Marlim (CPM), which furnishes Petrobras with submarine equipment for oil production at the Marlim field.	70% of the field production limited to 720 days.	In operation.
NovaMarlim US$ 834 million	Consortium with NovaMarlim Petróleo S.A. (NovaMarlim) which furnishes submarine oil production equipment and refunds operating costs arising from operating and maintaining the field assets, by way of an advance already made to Petrobras.	30% of the field production limited to 720 days.	In operation.
CLEP US$ 1,25 billion	Companhia Locadora de Equipamentos Petrolíferos - CLEP, furnishes Petrobras assets related to oil production located in the Campos Basin through a lease agreement for the period of 10 years, and at the end of it Petrobras will have the right to buy shares of the SPC or project assets.	Lease prepayments in case revenue is not sufficient to cover payables to the lenders.	In operation.
PDET US$ 1,18 billion	PDET Offshore S.A. is the future owner of the Project assets whose objective is to improve the infrastructure to transfer oil produced in the Campos Basin to the oil refineries in the Southeast Region and to export. The assets will later be leased to Petrobras for 12 years.	All of the project's assets will be pledged as collateral.	In stage of constitution of assets.
Malhas US$ 1,11 billion	Consortium formed by Transpetro, Transportadora Nordeste Sudeste (TNS), Nova Transportadora do Sudeste (NTS) and Nova Transportadora do Nordeste (NTN). NTS and NTN contribute through assets related to natural gas transportation. TNS (a 100% Gaspetro subsidiary) furnishes assets that have already been previously set up. Transpetro is the gas pipelines operator.	Prepayments based on transportation capacity to cover any consortium cash insufficiencies.	The consortium became operational on January 01, 2006. However, some assets are still under construction.

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Project/ Estimated Amount of Investment	Purpose	Main guarantees	Current phase
Modernization of Revap US$ 900 million	The objective of this project is to raise the Henrique Lage (Revap) refinery's national heavy oil processing capacity, bringing the diesel it produces into line with the new national specifications and reducing pollution levels. To achieve this, the SPC Cia. de Desenvolvimento e Modernização de Plantas Industriais - CDMPI was founded, which will construct and lease to Petrobras a Retarded Coking plant, a Coke Naphtha Hydro-treatment plant and related plants to be installed at this refinery	Prepaid rental to cover any cash deficiencies of CDMPI.	In stage of constitution of assets.
Cabiúnas US$ 850 million consolidated in the lease agreement.	Project with the objective of increasing gas production transportation from the Campos Basin. Cayman Cabiunas Investment Co. Ltd. (CCIC), furnishes assets to Petrobras under an international lease agreement.	Pledge of 10,4 billion m^3 of gas.	In operation.
Other (Albacora, Albacora/Petros and PCGC) US$ 495,5 million		Ownership of the assets or additional lease payment if the revenue is not sufficient to cover payables to lenders.	In operation.

b) Project financings in progress

Project/ Estimated Amount of Investment	Purpose	Main guarantees	Current phase
Gasene US$ 2,96 billion	Transportadora Gasene S.A. is responsible for the construction and future ownership of pipelines to transport natural gas with a total length of 1,4 thousand km and transportation capacity of 20 million cubic meters per day, connecting the Cabiúnas Terminal in Rio de Janeiro to the city of Catu, in Bahia state.	Pledge of credit rights. Pledge of shares of the SPC.	Long term loan negotiated in December 2007 with BNDES in the amount equivalent R$ 4,51 billion, including funds transferred from the China Development Bank (CDB) in the amount of US$ 750 million. Part of the funds will be used to pay the bridge-loans obtained from the BNDES and the remainder will be used to conclude the construction of the gas pipeline. Loan obtained from BB Fund SPC of R$800 million for the construction of the gas pipeline, with the issue of US$ 210 million in Promissory Notes, in October 2006.
Marlim Leste (P-53) US$ 1,59 billion	To develop production in the Marlim Leste field, Petrobras will use a Stationary Production Unit (UEP), P-53, to be chartered from Charter Development LLC. The Bare Boat Charter agreement will be effective for a 15-year period counted from the date of signing thereof.	All assets of the projects were given in guarantee	Short-term financing in the amount of US$ 839 million obtained through issuance of Promissory Notes, to pay the cost of construction and amortization of the principal of the bridge loan from ABN. US$ 690 million have already been issued in promissory notes and the bridge loan repaid. The assets are in construction stage, scheduled to be completed in September 2008.

Project/ Estimated Amount of Investment	Purpose	Main guarantees	Current phase
Amazônia US$ 1,37 billion	Development of a project in the Gas and Energy area that includes the construction of a 385 km gas pipeline between Coari and Manaus, and a 285 km GLP pipeline between Urucu and Coari, both under the responsibility of Transportadora Urucu - Manaus S.A. and the construction of a thermoelectric plant, in Manaus, with capacity of 488 MW through Companhia de Geração Termoelétrica Manauara S.A.	Pledge of credit rights. Pledge of shares of the SPC.	A long-term loan obtained in December 2007 from BNDES in the amount of R$ 2,49 billion. Loan obtained in the amount of R$ 1 billion from the BB Fund SPC, of which US$ 265 million have been issued in Promissory Notes.
Mexilhão US$ 756 million	Construction of a platform (PMXL-1) to produce natural gas at Mexilhão and Cedros' fields, in the Santos Basin, in São Paulo State through Companhia Mexilhão do Brasil (CMB), responsible for obtaining the funds necessary to build the platform. Once built, the PMXL-1 will be leased to Petrobras, holder of the exploration and production concession in the aforementioned fields.	To be defined.	Obtainment of short-term funds up to the amount of US$ 341 million, through the issuance of Promissory Notes acquired by the BB Fund. Constitution of the assets is underway.

9.2 Reimbursements receivable and ventures under negotiation

The receivable balance, net of advances received, referring to the costs incurred by Petrobras on projects already negotiated with third parties, is classified in the non-current assets, as Projects Financings, and is broken down as follows:

	R$ thousand		
	Parent Company		
Projects	**03.31.2008**		**12.31.2007**
Cabiúnas	752.912		752.958
PDET	1.075.784		952.386
Malhas-Nordeste	96.351		96.347
Malhas-Sudeste	77.480		71.323
Other	129		128
Total	**2.002.656**		**1.873.142**
Advances	(569.256)		(575.626
Total net reimbursements receivable	**1.433.400**		1.297.516
Ventures under negotiation	390.125	**(*)**	206.197
Total projects financings	**1.823.525**		**1.503.713**

(*) Includes expenses already incurred by Petrobras on projects for which partners have not yet been specified.

9.3 Projects financings obligations

		R$ thousand	
		Parent Company	
	Project	03.31.2008	12.31.2007
PDET Offshore S.A.	PDET	200.333	200.333
NovaMarlim Petróleo S.A.	NovaMarlim	124.845	166.431
Total		**325.178**	**366.764**

a) NovaMarlim Project

NovaMarlim Petróleo S.A. provided funding for the project, the balance of which, net of operating costs already incurred by Petrobras in the amount of R$ 1.989.690 thousand (R$ 1.948.104 thousand as of December 31, 2007) and transferred assets of R$ 49.465 thousand, reached R$ 124.845 thousand (R$ 166.431 thousand as of December 31, 2007) classified in the Current Liabilities as Projects Financings.

b) PDET Project

PDET Offshore S.A passed to Petrobras R$ 1.198.357 thousand as an advance for the future sale of assets and reimbursement of expenses incurred by Petrobras. In December 2007, Petrobras ceded a contract with Consórcio Norberto Odebrecht Engenharia S.A. (CNO) to PDET Offshore S.A. in the total amount of R$ 998.024 thousand. This left Petrobras with a balance of R$ 200.333 thousand, classified in the current liabilities as Project Financings.

9.4 Accounts payable related to consortiums

	R$ thousand	
	Consolidated	
	03.31.2008	12.31.2007
Cia. Petrolífera Marlim	67.832	4.302
Nova Marlim Petróleo	60.771	
Fundação Petrobras de Seguridade Social - Petros	18.647	37.168
Total	**147.250**	**41.470**

Petrobras maintains consortium contracts for the purpose of supplementing the development of oil field production, of which the accounts payable to consortium partners amounted to R$ 147.250 thousand as of March 31, 2008, (R$ 41.470 thousand as of December 31, 2007), classified in the current liabilities as Projects Financings.

10 Judicial deposits

The judicial deposits are presented in accordance to the nature of the claims, are as follows:

	R$ thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Labor	577.902	570.263	551.287	544.043
Tax (*)	883.445	860.126	683.603	675.633
Civil (*)	255.688	252.063	227.997	223.024
Other	11.338	11.043	2.957	2.958
Total	**1.728.373**	**1.693.495**	**1.465.844**	**1.445.658**

(*) Net of the judicial deposit relating to the judicial proceeding provisioned for.

Other information

- *Search and apprehension of ICMS / taxpayer substitution payments considered to be not due*

  Petrobras was sued in the courts of Goiás, Tocantins, Bahia, Pará, Maranhão and in the Federal District, by oil distribution companies under the allegation that it does not pass on to state governments the Domestic Value-Added Tax (ICMS) collected according to the legislation upon fuel sales.

  Of the total amount related to legal actions of approximately R$ 728.895 thousand, up to March 31, 2008, R$ 80.159 thousand had been withdrawn from the Company's accounts as a result of judicial rulings of advance relief, which were annulled as a result of an appeal filed by the Company.

  Petrobras, with the support of the state and federal authorities, has succeeded in stopping the execution of other withdrawals, and is making all possible efforts to obtain reimbursement of the amounts that had been unduly withdrawn from its accounts.

- *Other restricted deposits*

  Authorities have blocked other amounts due to labor claims that totaled R$ 40.643 thousand as of March 31, 2008 (R$ 43.956 thousand as of December 31, 2007).

11 Investments

11.1 Investments in Subsidiaries, Jointly-owned Subsidiaries and Affiliated Companies

	R$ thousand	
	03.31.2008	12.31.2007
Subsidiaries		
Petrobras Distribuidora S.A. - BR	7.179.514	6.836.605
Termorio S.A.	2.604.395	2.569.758
Petrobras Gás S.A. - Gaspetro	3.546.576	2.607.486
Petrobras Internacional Braspetro B.V. - PIB BV	831.699	911.503
Petrobras Química S.A - Petroquisa	2.233.692	1.854.086
Petrobras Transporte S. A. - Transpetro	1.700.255	1.563.234
Downstream Participações Ltda.	1.065.862	1.158.110
Petrobras Netherlands B.V - PNBV	1.447.151	1.265.284
Braspetro Oil Services Company - Brasoil	419.412	434.005
Termomacaé Ltda.	732.796	702.766
5283 Participações Ltda.	217.149	229.517
FAFEN Energia S. A.	233.666	230.945
Baixada Santista Energia Ltda.	218.456	218.456
SFE - Sociedade Fluminense de Energia Ltda.	139.420	122.109
Termoceará Ltda.	174.127	173.102
Petrobras Comercializadora de Energia Ltda - Pecel		
Fundo de Investimento Imobiliário RB Logística - FII	52.995	50.223
Pramoa Participações S.A.		850.906
Dapean Participações S.A.	861.501	
U.T.E. de Juiz de Fora	146.643	96.207
Petrobras Negócios Eletrônicos S.A. - E-Petro	21.609	21.738
Termobahia S.A.	313.337	
Goodwill/Discount in subsidiaries	1.697.644	1.075.958
	25.837.899	22.971.998
Jointly-Owned Subsidiaries		
Termoaçu S.A.	458.519	458.519
UTE Norte Fluminense S.A.	56.738	61.193
Termogaúcha Usinas Termoelétricas S.A. (being extinguished)		
Ibiritermo S.A.	3.748	4.365
Termobahia S.A.		12.978
GNL do Nordeste Ltda	290	290
Refinaria de Petróleo Ipiranga S.A. (RPI)*		
	519.295	537.345
Affiliated companies		
UEG Araucária Ltda	131.994	132.444
	131.994	132.444
Rights and Advances for acquisition of investments		
Northern Distribution Assets - CBPI	1.101.395	1.097.018
Ipiranga Química		980.131
	1.101.395	2.077.149
Other Investments	349.521	349.853
	27.940.104	**26.068.789**

* Held direct share control of Dapean Participações S.A. which was incorporated into Petrobras on 03.24.2008. After the incoporation, Petrobras has direct control of Dapean
* Provision for losses made in the amount of R$ 2.823 thousand.

11.2 Goodwill and discount

Goodwill of US$ 411,8 million (R$ 720.279 thousand) was recorded on the acquisition, in September 2006, of 50% of Pasadena Refining System Inc. (PRSI) through the intermediary of Petrobras America Inc. (PAI), of which US$ 201,3 million (R$ 352.094 thousand), was based on the appreciation of assets, with amortization calculated in accordance with the useful life of the assets, and US$ 210,5 million (R$ 368.186 thousand) on the expectation of future income, with amortization over 10 years.

In the acquisition of share control of Suzano Petroquímica S.A., through the intermediary of Pramoa Participações S.A., goodwill was calculated at R$ 1.241.303 thousand, determined on the economic basis of expected future income, with amortization over 10 years.

Changes in goodwill/discount

	R$ Thousand	
	Consolidated	**Parent Company**
Balance of goodwill/discount as of 12/31/2007	**1.619.927**	**1.075.958**
Goodwill on the acquisition of shares of Ipiranga Quimica	669.841	669.841
Amortization of goodwill	(148.040)	(68.040)
Amortization of discount	58.757	2.165
Other (*)	12.410	17.720
Balance of goodwill/discount as of 03/31/2008	**2.212.895**	**1.697.644**

(*) Includes foreign Exchange variation on balances of companies abroad

In the Subsidiaries financial statements, the balance of discount, in the amount of R$ 261.989 thousand is recorded under investments and in the consolidated financial statements, the amount of R$ 63.946 thousand is recorded as deferred income.

11.3 Investments in listed companies

Investments in quoted companies whose shares are traded on the stock market are as follows:

COMPANY	Lot of thousand shares 03.31.2008	Lot of thousand shares 12.31.2007	Type	Price on stock exchange (R$ per share) 03.31.2008	Price on stock exchange (R$ per share) 12.31.2007	Market value R$ 03.31.2008	Market value R$ 12.31.2007
Subsidiaries							
Pepsa	1.249.717	1.249.717	ON	2,04	2,19	2.549.423	2.736.880
Pesa (*)	229.729	229.729	ON	4,70	5,23	1.079.726	1.201.483
Suzano Petroquímica	76.322	76.322	PN	10,62	10,05	810.540	767.036
						4.439.689	**4.705.399**
Affiliated Companies							
PQU	8.738	8.738	ON	14,45	15,00	126.264	131.070
PQU	8.738	8.738	PN	14,37	14,61	125.565	127.662
						251.829	**258.732**
Other investments							
Braskem	12.111	12.111	ON	14,75	15,20	178.637	184.087
Braskem	18.553	18.553	PNA	14,90	14,40	276.440	267.163
						455.077	**451.250**

(*) These shares do not include Pepsa's interest.

The market value of these shares does not necessarily reflect the realization value of a representative lot of shares.

11.4 Other Information

a) Investments in Ecuador

a.1) Agreement with Teikoku Oil Co. Ltd. on operations in Ecuador

On January 11, 2007, the Ecuadorian Ministry of Mines approved the previous agreement executed in January 2005 for the sale by Petrobras Energia S.A. (Pesa) to Teikoku of 40% of the rights and obligations of the participation agreements in blocks 18 and 31 in Ecuador and the assignment of 40% of the oil transportation contract with Oleoducto de Crudos Pesados Ltd. (OCP). The parties are currently carrying out the necessary procedures to obtain the amendments to these participation agreements, which have to be approved by Petroecuador, to incorporate Teikoku Oil Ecuador S.A. as a partner in these blocks. Once these amendments have been made, the economic terms and conditions of this transaction will start to take effect.

In March 2008, Petroecuador notified EcuadorTLC S.A. about a request for prescription of the contract for block 18 filed by the Attorney General's Office (Ecuador), based on alleged irregularities in the process to assign 40% of its interest in block 18 and in Palo Azul to Teikoku Oil Ecuador, as well as an alleged failure to register that which the Attorney General understands to be necessary for forming a Consortium comprising the individual parties to the participation agreements and, in addition, for repeated penalties having been applied for infringements of the Hydrocarbons Law .

Ecuador TLC replied to Petroecuador's notification on April 2008, attaching all the documentation proving the allegations to be false, given that the transfer of the interest had been duly approved by all the government authorities involved and that a firm Ministerial Agreement exists that authorizes the assignment and obliges Petroecuador to amend the participation agreement and proceed to grant the respective deeds.

a.2.) New Hydrocarbons Law

In April 2006, the "Ley Reformatória" which amended the "Ley de Hidrocarburos" was enacted in Ecuador and regulated in July 2006, establishing that the Government shall hold a minimum interest of 50% in the extraordinary revenues generated by increases to the sale price of Ecuadorian oil as compared to the monthly average oil sale price established at the date the respective oil sale contracts were executed, stated in the currency of the month of settlement.

In January 2007, EcuadorTLC, a subsidiary of Pesa, paid the amount equivalent to R$ 46.053 thousand charged by Petroecuador, relating to the period from April to December 2006, and from this date onwards, EcuadorTLC began making the payments based on the criteria established by Petroecuador.

In July 2007, Petroecuador notified EcuadorTLC of the differences in the value calculated for the Palo Azul field relating to the period from January to June 2007 in the amount equivalent to R$ 28.340 thousand, using a different methodology to calculate the shares. EcuadorTLC requested that Petroecuador reconsider the criteria utilized for the calculation, as it maintains that it had applied the criteria suggested by the Attorney General and the same method of calculation used by Petroecuador in January and February 2007.

In October 2007, the "Dirección Nacional de Hidrocarburos" (DNH) notified EcuadorTLC of a new charge, relating to the period from April 25, 2006 to December 31, 2006, including interest, which implies an additional expense of US$ 30 million.

On October 18, 2007 the Hydrocarbons Law was amended, increasing the State's share in the extraordinary surpluses in the price of the oil to 99%, thus reducing the share of the oil companies to 1%. On December 28, Ecuador's Constituent Assembly passed the "Ley de Equidad Tributaria", which implements a major tax reform, including new taxes, as from January 01, 2008

The set of changes produced by the above-mentioned reform altered the terms established by the parties with regard to the approval of the respective participation agreements, affecting projections of profitability of the current business operations in Ecuador and the ability to recoup the investments made. Consequently, in order to adjust the book value of the assets to their estimated recovery value, a provision amounting to R$ 308.796 thousand (US$ 174.333 thousand) was recognized as at December 31, 2007.

On January 18, 2008, Petroecuador informed the existence of a single debt of US$ 66 million, corresponding to the differences accumulated between April 2006 and December 2007.

Based on the opinion of its legal counsel, EcuadorTLC S.A. considers Law 42/2006 to be inapplicable. In line with this position, as from January 2008, EcuadorTLC stopped recording the amounts charged by Petroecuador with regard to that law. The amounts charged relating to the period from January to March 2008 total US$ 71 million. The financial statements of March 31, 2008 do not include any provision for these contingencies.

In order to protect the position held by EcuadorTLC, a notification was sent to the Attorney General's Office of Ecuador with the terms provided in the "Tratado de Protección de Reciproca de Inversiones" entered into between the Republic of Ecuador and the Republic of Argentina, which once the timeframes for negotiation between the parties have expired, enables recourse to the forms of arbitration set forth in the treaty, in order to obtain a solution to the impasse.

b) Investments in Bolivia

b.1) New Hydrocarbons Law

Supreme Decree 28.701 came into force in Bolivia on May 01, 2006, which nationalized all natural hydrocarbon resources, obliging companies currently producing gas and oil to transfer ownership of the entire hydrocarbon production to YPFB.

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On October 28, 2006, Petrobras Bolivia and its partners signed operating agreements with YPFB for the operations of the San Alberto, San Antonio, Rio Hondo and Ingre blocks, which came into effect on May 02, 2007. These contracts establish that the revenues, royalties, shareholdings, IDH, transportation and compression will be absorbed by YPFB, reimbursing the production costs and investments made by the Company and paying remuneration calculated in accordance with the variable participation table, specified in the contracts.

On June 25, 2007, a share purchase agreement for the shares of PBR was signed, transferring all the shares to YPFB for the amount of US$ 112 million in two installments, the first of which was settled on June 11, 2007 and the second on August 13, 2007. The capital gain on this transaction is calculated in the amount equivalent to R$ 66.195 thousand on December 31, 2007 (US$ 37.371 thousand).

In addition, the agreement stipulates that the net income calculated by PBR for the period from April 01 to June 25, 2007, in the amount equivalent to R$ 36.124 thousand, will be paid to the seller by May 31, 2008.

Law 3.740 - Sustainable Development of the Hydrocarbons Sector was enacted on August 31, 2007, repealing the *Impuesto a las Utilidades Extraordinárias por Extracción de Recursos Naturales no Renovables* and enabling YPFB to participate in the revenues originating from the abovementioned operating contracts.

Petrobras is currently in the process of closing down its distribution operations of oil products in Bolivia.

On December 18, 2007 Petrobras and YPFB signed a joint press release informing of further investments to increase production of natural gas in Bolivia. The press release also establishes the basic outline for a series of projects to be carried out jointly, possibly creating a mixed capital company. By means of another agreement, Petrobras and YPFB determined that for volumes delivered to the domestic market greater than 18% of the production from new projects, there will be a guarantee of a price 50% of the price for export. YPFB and Petrobras also reached an agreement on the payment formula for the liquid contained in the natural gas purchased by Petrobras through the GSA contract, for an amount between US$ 100 million and US$ 180 million per year, as per the Minutes of the Meeting in Brasilia on February 14, 2007, which will be paid by Petrobras from May 2007 onwards.

c) Investments in Argentina

c.1) Sale of shareholding in a power company in Argentina - Compañia Inversora em Transmisión Eléctrica S.A. - Citelec

On December 14, 2007 the regulatory organizations and the competent authorities approved the transfer of the shares of Compañia Inversora en Transmisión Elétrica S.A. - Citelec, which has a 52,67% interest in Compañia de Transporte en Energia Eléctrica en Alta Tensión - Transener S.A., to Energía Argentina S.A. - Enarsa and to Electroingenieria S.A for a fixed price of US$ 54 million (equivalent to R$ 95.650 thousand) plus an additional amount relating to the result from the integral tariff review determined for Transener and its subsidiary Empresa de Transporte de Energia Elétrica por Distribución Troncal de la Provincia de Buenos Aires S.A. (Transba), if such tariff review is approved up to June 30, 2008.

d) Investments in Venezuela

d.1) Review of the operating agreements in Venezuela

In March, 2006, through its subsidiaries and affiliated companies in Venezuela, Pesa executed with PDVSA and Corporación Venezolana del Petróleo S.A. (CVP), Memoranda of Understanding (MOU) for the purpose of completing the migration of the operating agreements to the form of mixed capital companies, as determined by law. The MOU established that the interest held by the private partners in the mixed capital companies is 40%, with the Venezuelan government holding an interest of 60%. According to the terms of the MOU, CVP recognized divisible credits transferable to the private companies with shareholdings in the mixed capital companies, on which no interest is charged and which may be used as payment of the acquisition bonus for any new mixed capital company project, to develop oil exploration and production activities or to license the development of gas exploration and production operations in Venezuela. The credits assigned to Pesa correspond to US$ 88,5 million and have not been recorded in the accounts.

The migration of the contracts produced economic effects as from April 01, 2006. In August 2006, the conversion contracts for Oritupano Leona, La Concepción, Acema and Mata had been executed. Later, the companies Petroritupano S.A., Petrowayú S.A., Petrovenbras S.A. and Petrokariña S.A. were formed, which will each operate in the abovementioned areas, respectively.

According to the corporate and governance structure specified for the mixed capital companies, as from April 01, 2006, Pesa no longer recorded the assets, liabilities and results referring to the aforesaid operations in its consolidated statements, presenting them as corporate investments in associated companies appraised according to the equity method. Recovery of these investments is strongly tied to the volatility of oil prices, social, economic and regulatory conditions in Venezuela and, in particular, to shareholders' interest in developing the oil reserves. Consequently, in order to adjust the book value of the investment to its estimated recovery value, a loss on investment amounting to R$ 119.588 thousand was recorded as at December 31, 2007

e) New Investments Abroad

On November 09, 2007, Petrobras signed a share purchase agreement to buy 87,5% of the shares of the Japanese company Nansei Sekiyu Kabushiki Kaisha (NSS) from TonenGeneral Sekiyu Kabushiki Kaisha (TGSK), for an amount of approximately US$ 50 million. The acquisition comprises a refinery with a capacity of 100.000 bpd, which refines light oil and produces high quality oil products, an oil and oil products terminal with a storage capacity of 9,6 million barrels, three piers with a capacity to receive ships laden with up to 97.000 deadweight tonnage (dwt) and a single point mooring for Very Large Crude Carrier (VLCC) vessels of up to 280.000 dwt.

The transfer of the share control took place in April 2008.

f) Ipiranga Group

On April 18, 2007, Ultrapar (on its own behalf), having Braskem S.A. and Petróleo Brasileiro S.A. - Petrobras (both through a commission agreement) as intervening parties, acquired control of the companies comprising the Ipiranga Group. For this acquisition, Petrobras advanced to Ultrapar R$ 742.746 thousand. Under the agreement signed by Ultrapar, Braskem and Petrobras, Ultrapar took control over the fuel and lubricant distribution businesses in the South and South-East regions ("Southern Distribution Assets"), Petrobras will control the fuel and lubricant distribution businesses in the North, North-East and Central-West regions ("Northern Distribution Assets"), and Braskem will obtain control over the petrochemical assets, represented by Ipiranga Química S.A. (IQ), Ipiranga Petroquímica S.A. (IPQ) and over this company's interests in Companhia Petroquímica do Sul (Copesul), with Petrobras also holding an interest in the petrochemical assets. The oil refinery assets held by Refinaria de Petróleo Ipiranga (RPI) are shared equally by Petrobras, Ultrapar and Braskem.

04.01 – NOTES TO QUARTERLY INFORMATION

Ultrapar is responsible for the corporate reorganization of the companies acquired in order to separate the assets set aside for each company.

The transaction has been presented to the Brazilian antitrust authorities (Administrative Board for Economic Defense - CADE, Office of Economic Law - SDE, Secretary for Economic Monitoring - SEAE.

As regards the fuel distribution business, the CADE explained that the terms of Injunction 087000.001507/2007-80 regarding acts of concentration, did not impede Petrobras and Ultrapar - the companies that had acquired the distribution businesses of the Ipiranga Group - from entering into understandings with the objective to formulate a structure of corporate governance that eliminates any risk to competition. The CADE authorized Petrobras and Ultrapar to hold meetings to discuss the matter and present a proposal.

On May 16, 2007, CADE unanimously approved an agreement replacing the terms of the injunction that impeded Petrobras from taking part in the strategic and commercial decisions relating to the acquisition of the distribution assets of the Ipiranga Group.

The document entitled “Agreement to Preserve Reversibility of Transaction (APRO)” allows Petrobras to select a manager and negotiate the implementation of a governance policy that ensures the preservation of the assets and the rights of the minority shareholders. The timetable for the performance of the transaction remains unchanged.

With the APRO, management of the distribution assets purchased by Petrobras will be conducted separately from management of the assets purchased by Ultrapar.

The monthly income reports were presented to Petrobras by the independent manager of Petrobras's distribution assets, respecting the 60 day gap established by the APRO. Also in compliance with the same document, the reports containing the information submitted to Petrobras were forwarded to CADE and duly filed.

In October and November 2007, there were Public Offerings (PO) of the common shares in circulation issued by RPI, DPPI and CBPI. For this acquisition Petrobras advanced to Ultrapar R$ 211.027 thousand.

04.01 – NOTES TO QUARTERLY INFORMATION

Extraordinary General Meetings were held on December 18, 2007 for RPI, DPPI, CBPI and Ultrapar, which decided in favor of the Incorporation of Shares. Shareholders of the companies of the Ipiranga Group holding preferred shares received shares of Ultrapar in accordance with the previously agreed ratio of exchange.

The operation to acquire the Ipiranga Group is in the final stage, in which Ultrapar finalizing the process of corporate reorganization of the companies of the Ipiranga Group, with the objective to enable the separation and transfer of the Petrochemical Assets, Northern Distribution Assets, Southern Distribution Assets and Refinery Assets, in accordance with that agreed by the parties.

As such, the spinoff of Companhia Brasileira de Petróleo Ipiranga - C.B.P.I. took effect on April 30, 2008 e, consequently, Alvo Distribuidora de Combustíveis Ltda and Ipiranga Asfaltos S.A. - IASA began operating independently from that company, however still under the full control of Ultrapar.

After this corporate reorganization, Petrobras will receive the company created solely to receive the Northern Distribution Assets (Alvo Distribuidora de Combustíveis Ltda.), Ipiranga Asfaltos - IASA, and each one of the companies (Petrobras, Ultrapar and Braskem) will also receive 1/3 of the refinery assets. These transfers, which characterize the completion of the operation, foresee a disbursement by Petrobras estimated in R$ 705.811 thousand.

With regard to the petrochemical businesses, on May 18, 2007, Petrobras and Braskem filed a request to register a Tag-Along PO of IPQ, allowing private parties to purchase shares for R$118.000 thousand held by the minority shareholders as at June 28, 2007. On July 04, 2007, the CVM granted the application to waive this PO and, on July 18, 2007, IPQ's registration as a quoted company was cancelled.

After the CVM granted the registration of the PO to close the capital of Copesul on August 10, 2007, the auction to purchase common shares of Copesul was held on October 05, 2007. The value of the operation was R$ 1.294.236 thousand.

As described in the Reportable Event dated March 03, 2008 and in fulfillment of the Investment Agreement signed on March 18, 2007, Ultrapar transferred an interest of 40% of the shares comprising the share capital of Ipiranga Química S.A. to Petrobras on February 27, 2008. This was done through UPB Participações S.A., a closed-capital joint-stock company, created specifically for this purpose and whose only relevant asset is the interest described above.

In order to be able to record the economic benefit of the goodwill calculated in this acquisition, Petrobras incorporated UPB on March 24, 2008, after approval at an EGM held on that date.

The goodwill was calculated on the economic basis of expected future income, with amortization over 10 years.

In the current phase, with the incorporation of these shares, in the fuel distribution businesses, Petrobras now has the right to receive from Ultrapar 100% of the Northern Distribution Assets (including IASA).

The goodwill was calculated on the economic basis of expected future income, with amortization over 10 years.

The equity adjustment was determined on the basis of the Balance Sheet of the Northern Distribution Assets as at January 31, 2007, as was the amortization of the respective goodwill, referring to the same period of agreement as that established by the APRO (60 day gap).

The discount on the petrochemical and fuel distribution businesses was determined on the economic basis of expected future income, with amortization over 10 years.

In the refinery businesses, in the current phase with the incorporation of the shares, Petrobras now has the right to receive from Ultrapar 33,33% of RPI. Petrobras consolidates the pro-forma financial statements of the refinery assets of RPI proportionately, in line with the shared control exercised by Petrobras, Braskem and Ultrapar.

g) Braskem Investment Agreement

On November 30, 2007, an investment agreement was signed between Braskem, Odebrecht, Petrobras, Petroquisa and Norquisa, by which it was agreed that the petrochemical assets held by Petrobras and Petroquisa would be integrated in Braskem. With the integration of these assets, the joint interest of Petrobras and Petroquisa in the voting capital of Braskem rose from 8,1% to 30% and, in the total share capital, from 6,8% to 25%.

The petrochemical assets that will be contributed by Petrobras and Petroquisa in Braskem are: (i) 37,3% of the voting and total capital of Copesul; (ii) 40% of the voting capital and total capital of IPQ; (iii) 40% of the voting and total capital of IQ; (iv) 100% of the voting and total capital of Petroquímica Triunfo; and (v) 40% of the voting and total capital of Petroquímica Paulínia (PPSA). In order to speed up the operation, Petrobras contributed its 40% interest in the total capital of IQ.

Petrobras and Petroquisa will have the option to make a capital contribution in Braskem up to 100% of the voting and total capital of Triunfo. In the event this does not occur, Petrobras and Petroquisa may contribute cash equivalent to the financial value of this asset.

Petrobras, Petroquisa, Odebrecht and Norquisa, with Braskem, as the intermediary, have already agreed the terms of the new shareholder's agreement of Braskem, which will be signed at the same time as the agreement on the integration of the petrochemical assets, which will be effected at General Meetings held by Braskem, Grust Holding S.A., that now holds the interest in IQ, Copesul, PPSA and Triunfo, called specifically for this purpose, within 6 (six) months as counted from November 30, 2007.

The transaction was presented to the Brazilian antitrust authorities (Administrative Board for Economic Defense - CADE, Office of Economic Law - SDE, Secretary for Economic Monitoring – SEAE), within the timeframes and in accordance with the legislation in force.

On March 28, 2008, the Extraordinary General Meeting of Petroquisa approved the share capital increase of Petroquisa, from R$ 1.000.949 thousand to R$ 1.338.977 thousand, with the issue of 6.686.841.435 new shares, of which 3.410.289.132 common registered shares and 3.276.552.303 preferred registered shares, subscribed and paid up by Petrobras, through the contribution of its interest of 40% of the total share capital of Ipiranga Química S.A., held by Petrobras, in the amount of R$ 338.028 thousand.

(h) Acquisition of Suzano Petroquímica S.A.

The acquisition of the controlling interest of Suzano Petroquímica S.A., equivalent to 99,9% of the total common shares and 76,57% of the total capital was concluded on November 30, 2007.

The payment by Petrobras to the seller shareholders totaled R$ 2.100.402, which corresponds to R$ 13,27 per common share and R$ 10,61 per preferred share.

In order to be able to record the economic benefit of the goodwill calculated in this acquisition, Petrobras incorporated Pramoa Participações S.A. on March 24, 2008, after approval at the EGM held on that date.

Petrobras and its subsidiary Dapean Participações S.A., the company that directly controls Suzano Petroquímica S.A. (SZPQ), filed a request with the Brazilian Securities and Exchange Commission (CVM) to register and hold a Public Offering (PO) to purchase the common and preferred shares of SZPQ held by its other shareholders for the price of R$ 13,27 per common share and R$ 10,61 per preferred share, in compliance with Article 254-A of Law Nº. 6.404/76 (Tag Along).

Through Official Notice CVM/SRE/GER-1/Nº. 725/2008 dated April 30, 2008, the Brazilian Securities and Exchange approved the registration of the PO to purchase the shares of Suzano Petroquímica S.A., conditioned to certain adjustments which Petrobras has since fulfilled.

In order to comply with the decision of the Full Board of the CVM, dated October 31 , 2007, the rate used for restating the offer price will be 100% of the variation of the Extra-Group Interbank Deposit Rate ("DI Rate) for a term equal to one business day, calculated and published by the CETIP - Clearinghouse for the Custody and Financial Settlement of Securities, calculated on a pro rata temporis basis from the date of the effective payment to the previous shareholders (November 30, 2007) to the date of the financial settlement of the auction.

Petrobras will publish the Term of Public Offering resulting from the acquisition of share control of Suzano Petroquímica by May 12, 2008.

- *Investment Agreement with Unipar*

  On November 30, 2007,Unipar and Petrobras entered into an Investment Agreement, defining, among other matters, the stages of structuring of Companhia Petroquímica do Sudeste (CPS), up to the creation of an integrated company with control shared in the proportion of 60% for Unipar and the remaining 40% for the Petrobras and Petroquisa, into which they plan to integrate their assets for the production of thermoplastic resins, basic petrochemicals and correlated activities, in order to attain a scale of production and high level of competitiveness on the world market.

  The petrochemical assets that will be contributed by the Petrobras Companies are: (i) 99,9% of the voting capital and 76,57% of the total capital of Suzano Petroquímica S.A. (SZPQ), acquired on November 30, 2007; and (ii) 17,48% of the voting capital and 17,44% of the total capital held by Petroquisa in Petroquímica União S.A. (PQU).

The assets that will be contributed by Unipar are: (i) 33,3% of the voting and capital of Rio Polímeros S.A. (Riopol); (ii) 54,96% of the voting capital and 51,35% of the total capital of PQU; (iii) 99,99% of the voting and total capital of Polietilenos União S.A (PU); (iv) all the assets, rights and obligations relating to the operation of Unipar Divisão Química (UDQ); and (v) the amount in cash of R$ 380.000 thousand, which corresponds to the value of the price to be paid for: (a) 16,67% interest in the total share capital held by Petroquisa in Riopol; and 15,98% of SZPQ's interest in Riopol, for the understood and agreed price of R$ 0,9152 per share.

The transaction was presented to the Brazilian antitrust authorities (Administrative Board for Economic Defense - CADE, Office of Economic Law - SDE and Secretary for Economic Monitoring - SEAE).

i) Sale of part of the shares of Rio Polímeros S.A.

On January 07, 2008, as part of the agreement between Petrobas and Unipar, the Board of Directors of Suzano Petroquímica S.A. (SZPQ), approved the sale of shares in Rio Polímeros S.A. ("Riopol"), corresponding to 24,31% of the share capital, maintaining a 9,02% interest in the share capital. The right of preference for these shares, foreseen in the shareholders' agreement, was exercised in part and not proportionately: 15,98% of the share capital was acquired by Unipar, 8,33% by BNDES Participações and none of the shares held by the Company were purchased by Petroquisa.

These shares will be sold for the amount of R$ 282.971 thousand, based on the valuation made by Banco ABN AMRO Real S.A. and stated in the reportable event jointly released by Petrobras and Unipar on November 30, 2007. The totality of the shares of Riopol was valued as R$ 1.164.000 thousand.

12 Property, plant and equipment

12.1 By operating segment

	R$ Thousand			
	Consolidated			
	03.31.2008			12.31.2007
	Cost	Accumulated Depreciation	Net	Net
Exploration and Production	128.029.595	(47.402.801)	80.626.794	76.611.403
Supply	44.754.503	(17.781.293)	26.973.210	25.225.884
Distribution	4.824.381	(2.023.357)	2.801.024	2.793.450
Gas and Energy	26.422.104	(4.667.493)	21.754.611	20.751.962
International	21.287.883	(8.171.813)	13.116.070	12.664.055
Corporate	2.587.208	(875.354)	1.711.854	1.893.972
	227.905.674	**(80.922.111)**	**146.983.563**	**139.940.726**

	R$ Thousand			
	Parent Company			
	03.31.2008			12.31.2007
	Cost	Accumulated Depreciation	Net	Net
Exploration and Production	95.519.493	(39.861.850)	55.657.643	53.091.343
Supply	36.582.993	(15.733.245)	20.849.748	19.442.052
Gas and Energy	3.831.099	(645.216)	3.185.883	2.916.141
International	19.741	(9.900)	9.841	9.219
Corporate	2.861.796	(874.833)	1.986.963	1.793.389
	138.815.122	**(57.125.044)**	**81.690.078**	**77.252.144**

12.2 By type of asset

		R$ thousand			
		Consolidated			
		03.31.2008			12.31.2007
	Estimated Useful Life in years	Cost	Accumulated Depreciation	Net	Net
Buildings and improvements	25 to 40	7.159.460	(2.773.978)	4.385.482	3.800.350
Equipment and other assets	3 to 30	97.295.941	(47.461.673)	49.834.268	49.414.524
Land		857.619		857.619	854.848
Materials		4.654.641		4.654.641	4.247.098
Advances to suppliers		3.036.058		3.036.058	2.624.093
Expansion projects		43.795.948		43.795.948	39.964.366
Oil and gas exploration and production development costs (E&P)		71.106.007	(30.686.460)	40.419.547	39.035.447
		227.905.674	**(80.922.111)**	**146.983.563**	**139.940.726**

		R$ thousand			
		Parent Company			
		03.31.2008			12.31.2007
	Estimated Useful Life in years	Cost	Accumulated depreciation	Net	Net
Buildings and improvements	25 to 40	4.077.760	(1.639.405)	2.438.355	2.227.198
Equipment and other assets	3 to 30	43.390.396	(28.832.426)	14.557.970	14.220.645
Land		394.172		394.172	387.240
Materials		3.959.353		3.959.353	3.608.233
Advances to suppliers		991.941		991.941	786.240
Expansion projects		25.812.416		25.812.416	23.684.627
Oil and gas exploration and production development costs (E&P)		60.189.084	(26.653.213)	33.535.871	32.337.961
		138.815.122	**(57.125.044)**	**81.690.078**	**77.252.144**

The equipment and fixtures relating to oil and gas production captive to the respective wells developed, are depreciated according to the monthly production volume in relation to each production field's proven and developed reserves. The straight-line method is used for assets with a useful life shorter than the life of the field or that are tied to fields at various stages of production. Other equipment and assets not related to oil and gas production are depreciated according to their estimated and useful life.

Relevant expenses incurred on scheduled stoppages to maintain the industrial plants and ships, which include spare parts, and assembly and disassembly services, among others, are registered in the Fixed Assets.

These stoppages occurred in scheduled periods occurring once every four years on average and the respective expenses are depreciated as production cost until the following stoppage.

12.3 Oil and gas exploration and development costs

	R$ Thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Capitalized costs	71.106.007	69.440.022	60.189.084	58.369.377
Accumulated depreciation	(29.875.379)	(29.792.677)	(25.909.130)	(25.481.760)
Amortization of provision for abandonment	(811.081)	(611.898)	(744.083)	(549.656)
Net investment	**40.419.547**	**39.035.447**	**33.535.871**	**32.337.961**

Expenditure on exploration and development of oil and gas production is recorded according to the successful efforts method. This method determines the development costs for all the production wells and the successful exploration wells linked to economically viable reserves should be capitalized, while the costs of geological and geophysical work are to be considered as expenses for the period in which they were incurred and the costs of dry exploration wells and those related to non-commercial reserves are to be recorded in the income statement when they are identified as such.

The capitalized costs and the related assets are reviewed annually, on a field-by-field basis, to identify potential losses under the recovery, based on the estimated future cash flow.

The capitalized costs are depreciated using the units produced method in relation to proven and developed reserves. These reserves are estimated by the Company's geologists and petroleum engineers according to international standards and reviewed annually or when there are signs of significant alterations.

In accordance with the accounting practice adopted, supported by statement SFAS 143 - Accounting for Asset Retirement Obligations issued by the Financial Accounting Standards Boards - FASB, the future liability for abandoning wells and dismantling the production area is accounted for at its present value, discounted at a risk-free rate, and is fully recorded at the time of the declaration of commerciality of each field, as part of the cost of the related assets (property, plant and equipment) as a balancing item to the provision, recorded in the liabilities, that will bear these expenses.

The interest expense on the provision for the liability to the amount of R$ 70.472 thousand from January to March 2008 has been classified as operating expenditure - expenses on prospecting and drilling to extract oil (item 3.06.05.04 of the Statement of Income - Quarterly Financial Information - Parent Company).

12.4 Depreciation

Depreciation expenses for the first quarter of 2008 and 2007 are as follows:

	R$ Thousand			
	Consolidated		Parent Company	
	Jan-Mar/2008	Jan-Mar/2007	Jan-Mar/2008	Jan-Mar/2007
Portion absorbed in costing:				
Of assets	1.263.180	1.007.969	587.802	371.567
Of exploration and production costs	569.541	683.716	480.260	596.834
Of capitalization of/provision for well abandonment	199.003	80.015	196.133	75.952
	2.031.724	**1.771.700**	**1.264.195**	**1.044.353**
Portion recorded directly in income statement	313.299	365.779	158.593	121.977
	2.345.023	**2.137.479**	**1.422.788**	**1.166.330**

12.5 Leasing of platforms and ships

At March 31, 2008 and December 31, 2007, direct and indirect subsidiaries had leasing contracts for offshore platforms and vessels chartered to Petrobras, and the commitment assumed by the Parent Company is equivalent to the amount of the contracts. Petrobras also had leasing contracts with third parties for other offshore platforms.

The balances of property, plant and equipment, net of depreciation, and liabilities relating to offshore platforms which, if recorded as assets purchased under capital leases, are as follows:

	R$ Thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Property, plant and equipment,				
Net of depreciation	1.069.427	1.221.737	117.426	127.212
Financing:				
Short-term (current)	439.660	458.157	36.454	35.506
Long-term (non-current)	989.188	974.604	69.964	70.852
	1.428.848	**1.432.761**	**106.418**	**106.358**

Expenditures on platform charters incurred in periods prior to the operational start-up are recorded by Petrobras as prepaid expenses and at March 31, 2008 totaled R$ 1.027.995 thousand (R$ 1.110.843 thousand at December 31, 2007), of which R$ 762.944 thousand recorded as non-current assets (R$ 758.028 thousand at December 31, 2007).

12.6 Lawsuits abroad

a) In the United States - P-19 and P-31

On July 25, 2002, Braspetro Oil Service Co. (Brasoil) and Petrobras won related lawsuits filed with an American lower court by the insurance companies United States Fidelity & Guaranty Company and American Home Assurance Company, which had, since 1997, attempted to obtain a legal judgment in the United States to exempt them from the obligation to indemnify Brasoil for the construction (performance bond) of platforms P-19 and P-31, and from Petrobras, the refund of any amounts that they might be ordered to pay in the performance bond proceeding.

A court decision by the first level of the Federal Court of the District of New York recognized the right of Brasoil and Petrobras to receive indemnity for losses and damages in the amount of US$ 237 million, plus interest and reimbursement of legal expenses on the date of effective receipt, relating to the performance bond, totaling approximately US$ 370 million.

On July 21, 2006, the U.S. Court delivered an executive decision. However, it made payment of the amounts owed to Brasoil subject to the permanent discontinuance of the legal proceedings involving identical claims in progress before the Brazilian courts, which the parties proceeded to do.

b) In London - P-36

Brasoil and Petrobras participate in several contracts relating to the conversion and acquisition of the P-36 Platform, which suffered a total loss in an accident (sinking) during 2001. Under these contracts, Brasoil and Petrobras had undertaken, in the event of an accident, to deposit any compensation received from the insurers in favor of a Security Agent in order to ensure payment to creditors, in accordance with a mechanism agreed in the contracts. A legal action brought by companies claiming part of these payments is currently in progress in a London Court, since Brasoil and Petrobras understand that they are entitled to these amounts in accordance with the distribution mechanism mentioned.

04.01 – NOTES TO QUARTERLY INFORMATION

In April 2003, Brasoil provided the Court with a bank guarantee obtained from a financial institution for the payment of insurance indemnity of a Security Agent, and provided the financial institution with counter-guarantees in the amount of US$ 175 million. Pursuant to the verdict handed down by the foreign Court on December 15, 2005, payments were made to Brasoil, on account of the bank guarantee, amounting to US$ 171 million. On January 4, 2006, the guarantee provider confirmed that the guarantee was cancelled.

The trial was divided into two stages. The first stage was in October 2003 with a decision being handed down on February 2, 2004. The terms of the decision are complex and subject to appeal. In summary: (i) neither Petrobras nor Brasoil have been considered to have defaulted on their obligations; (ii) Petromec and Marítima are subject to reimbursing Brasoil for approximately US$ 58 million plus interest; and (iii) Petromec and Marítima are not liable for delays or unfinished work.

On July 15, 2005 a verdict was handed down determining that the insurance indemnification belongs to Brasoil, except the amount of US$ 629 thousand plus interest that is to be paid to the other parties in the litigation, as well as an additional amount of US$ 1,5 million that is to be held on deposit until the result of certain pending matters.

Following the trial in February 2004, Petromec amended the legal suit claiming the amount of US$ 131 million plus interest and/or financial costs up to the date of the trial in additional costs for upgrading work carried out and, alternatively, for damages for perjury, but without stipulating the amount of damages. The perjury trial took place between January 16 and February 09, 2006 and the verdict delivered on June 16, 2006 ruled Petromec's claims to be without merit. Petromec did not submit an appeal and this decision is final.

A preliminary judgment on the method to be used to calculate the Petromec's claim was held on June 26 and 27, 2007. On July 6, 2007 the Court handed down its decision in favor of the methodology defended by Petrobras and Brasoil. Petromec obtained permission to appeal the decision and the Court decided to suspend the process until the appeal is judged. On November 27, 2007 the appeal was heard and, on December 21, 2007 the Court rejected the most part of Petromec's appeal.

Judgment of the claim for additional costs is scheduled to take place in 2009.

c) Other indemnity lawsuits

Pursuant to the construction and conversion of vessels into "FPSO - Floating Production, Storage and Offloading" and "FSO - Floating, Storage and Offloading", considering the contractual default of the constructors, Brasoil had contributed, on behalf of the constructors, with financial resources in the amount of US$ 618 million, equivalent to R$ 1.082.074 thousand on March 31, 2008 (R$ 1.092.067 thousand on December 31, 2007), paid directly to the suppliers and subcontractors in order to avoid further delays in the construction/conversion activities and consequently losses to Brasoil.

Based on the opinion of Brasoil's legal advisers, these expenses should be reimbursed, since they represent a right of Brasoil with respect to the constructors, for which reason lawsuits filed with international courts to obtain financial reimbursement. However, as a result of the litigious nature of the assets and the uncertainties as regards to the probability of receiving all the amounts disbursed, the company conservatively recorded a allowance for doubtful accounts for all credits that are not backed by collateral, in the amount of US$ 546 million, equivalent to R$ 956.066 thousand on March 31, 2008 (R$ 964.460 thousand on December 31, 2007).

12.7 Return of exploration areas to the ANP

During the first quarter of 2008, Petrobras returned to the National Agency for Oil, Natural Gas and Biofuels - ANP, the rights to:

- Exploration licenses for Potiguar Terra Basin: BT-POT-35 (block POT-T-791), BT-POT-45 (blocks POT-T-225 e POT-T-241), BT-POT-50 (blocks POT-T-441 e POT-T-442), BT-POT-44 (block POT-T-196), BT-POT-62 (block POT-T-662) and BT-POT-39A (block POT-T-881) - return of all the blocks;

- Exploration licenses for Recôncavo Terra Basin: BT-REC-19 (block REC-T-205) and BT-REC-29 (block REC-T-250) - return of the blocks;

- Exploration license for Campos Mar Basin: BM-C-28 (blocks C-M-231, C-M-265, C-M-298, C-M-332 and C-M-334) and BM-C-26 (block C-M-58) - return of all the blocks.

12.8 Return of production fields operated by Petrobras to the ANP

During the first quarter of 2008, Petrobras did not return any rights on fields in the production phase to the National Agency for Oil, Natural Gas and Biofuels - ANP.

13 Intangible

13.1 By operating segment

	R$ Thousand			
	Consolidated			
	03.31.2008			12.31.2007
	Cost	Accumulated Depreciation	Net	Net
Exploration and Production	2.016.122	(272.968)	1.743.154	1.741.589
Supply	318.452	(95.968)	222.484	222.231
Distribution	211.213	(102.658)	108.555	108.307
Gas and Energy	133.352	(21.540)	111.812	108.302
International	3.642.946	(1.152.577)	2.490.369	2.277.776
Corporate	1.718.451	(657.278)	1.061.173	1.073.848
	8.040.536	**(2.302.989)**	**5.737.547**	**5.532.053**

	R$ Thousand			
	Parent Company			
	03.31.2008			12.31.2007
	Cost	Accumulated Depreciation	Net	Net
Exploration and Production	2.015.643	(272.844)	1.742.799	1.741.222
Supply	204.789	(61.887)	142.902	141.607
Gas and Energy	105.872	(9.139)	96.733	94.435
International	56.058	(9.960)	46.098	34.499
Corporate	1.704.421	(653.885)	1.050.536	1.062.914
	4.086.783	**(1.007.715)**	**3.079.068**	**3.074.677**

13.2 By type of assets

		R$ Thousand			
		Consolidated			
		03.31.2008			12.31.2007
	Estimated Useful Life in years	Cost	Accumulated Depreciation	Net	Net
Rights and concessions	25	5.175.852	(1.162.937)	4.012.915	3.828.871
Software	4	2.864.684	(1.140.052)	1.724.632	1.703.182
		8.040.536	**(2.302.989)**	**5.737.547**	**5.532.053**

		R$ Thousand			
		Parent Company			
		03.31.2008			12.31.2007
	Estimated Useful Life in years	Cost	Accumulated depreciation	Net	Net
Rights and concessions	25	1.664.918	(15.874)	1.649.044	1.655.633
Software	4	2.421.865	(991.841)	1.430.024	1.419.044
		4.086.783	**(1.007.715)**	**3.079.068**	**3.074.677**

Expenditure on rights and concessions includes the subscription bonuses relating to bid offers for oil or natural gas exploration concessions, recorded at acquisition cost value and amortized according to the units produced in relation to the proven and developed reserves. In addition, software and trademarks and patents are also included in this group.

14 Loans and financings

	R$ Thousand			
	Consolidated			
	Current		Non-current	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Foreign				
Financial institutions	4.484.003	4.175.723	11.747.228	11.344.416
Bearer obligations - "Notes", “Global Notes” and “Global Step-Up Notes”	589.770	784.182	10.076.531	9.201.691
Trust Certificates - Senior/Junior	120.987	122.241	845.375	705.686
Suppliers	28.474	279	20.125	20.310
Other	9.077	3.565	174.910	
Subtotal	5.232.311	5.085.990	22.864.169	21.272.103
Local				
Export Credit Notes			1.765.357	537.681
BNDES - National Economic and Social Development Bank (state owned-company)	458.752	1.714.283	5.831.881	3.832.157
Debentures	373.367	321.671	3.625.391	3.635.062
FINAME - related to the construction of the Bolivia - Brazil gas pipeline	82.542	76.738	272.428	262.508
Other	1.051.928	1.302.548	325.436	267.078
Subtotal	1.966.589	3.415.240	11.820.493	8.534.486
	7.198.900	**8.501.230**	**34.684.662**	**29.806.589**
Interest on loans and financings	(684.654)	(647.449)		
Principal	6.514.246	7.853.781		
Current portion of the loans and financings in the non-current liabilities	(3.003.643)	(3.588.684)		
Total short-term loans and financings	**3.510.603**	**4.265.097**		

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	R$ Thousand			
	Parent Company			
	Current		Non-current	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Foreign				
Financial institutions	400.733	463.682	1.069.061	1.126.410
Subtotal	400.733	463.682	1.069.061	1.126.410
Local				
Export Credit Notes			1.765.357	537.681
Debentures	220.773	165.562	2.906.333	2.880.014
FINAME - related to the construction of the Bolivia - Brazil gas pipeline	79.531	73.800	251.477	254.669
Other	55.778	45.474	31.548	13.214
Subtotal	356.082	284.836	4.954.715	3.685.578
	756.815	**748.518**	**6.023.776**	**4.811.988**
Interest on loans and financings	(173.947)	(122.596)		
Principal	582.868	625.922		
Current portion of the loans and financings in the non-current liabilities	(582.868)	(625.922)		
Total short-term loans and financings				

14.1 Non-current debt maturity dates

	R$ Thousand	
	03.31.2008	
	Consolidated	Parent Company
2009	5.957.776	854.220
2010	6.775.781	2.377.160
2011	4.317.924	850.240
2012	3.400.915	1.679.108
2013	2.696.320	158.679
2014 onwards	11.535.946	104.369
Total	**34.684.662**	**6.023.776**

14.2 Non-current debt interest rates

	R$ Thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Foreign				
Up to 6%	9.930.168	8.451.249	626.848	667.088
From 6 to 8%	8.870.732	8.736.284	442.213	459.322
From 8 to 10%	3.528.937	3.586.745		
From 10 to 12%	125.872	119.706		
Over 12%	408.460	378.119		
	22.864.169	21.272.103	1.069.061	1.126.410
Local				
Up to 6%	3.394.338	3.064.816	15.357	37.681
From 6 to 8%	634.520	603.369		
From 8 to 10%	2.936.667	1.397.414	652.166	688.488
From 10 to 12%	3.362.025	3.249.621	3.032.369	2.959.409
Over 12%	1.492.943	219.266	1.254.823	
	11.820.493	8.534.486	4.954.715	3.685.578
	34.684.662	**29.806.589**	**6.023.776**	**4.811.988**

14.3. Non-current balances per currency

	R$ Thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
US Dollar	22.707.586	21.316.838	958.888	1.040.497
Japanese yen	974.296	892.679	360.335	338.564
Euro	128.265	125.924	1.316	2.018
Real	10.478.898	7.125.126	4.703.237	3.430.909
Other	395.617	346.022		
	34.684.662	**29.806.589**	**6.023.776**	**4.811.988**

The estimated fair value for the Parent Company's and Consolidated's long-term loans on March 31, 2008 were, respectively, R$ 6.441.926 thousand, and R$ 36.369.663 thousand, calculated at the market rates in force, taking into consideration the nature, term and risks, similar to those in the registered contracts and may be compared to their book values of R$ 6.023.776 thousand and R$ 34.684.662 thousand.

The contracted hedge operations in connection with Notes issued abroad in foreign currency are disclosed in Note 23.

14.4 Export prepayments

Petrobras and Petrobras Finance Ltd. (PFL) have contracts (*"Master Export Contract" and "Prepayment Agreement"*) between themselves and a Special Purpose Company not related with Petrobras, named *PF Export Receivables Master Trust ("PF Export")*, relating to the prepayment of export receivables to be generated by PFL by means of sales on the international market of fuel oil acquired from Petrobras.

On March 31, 2008, the balance of export prepayments amounted to R$ 667.728 thousand in the non-current liabilities (R$ 705.686 thousand as off December 31, 2007) and R$ 119.907 thousand in the current liabilities (R$ 121.150 thousand as of December 31, 2007).

14.5 Settlement of the intercompany loan between PNBV and Brasoil

On January 02, 2008 the subsidiary Petrobras Netherlands BV (PNBV) signed an offshore loan agreement with Société Générale for the amount of US$ 85 million, with interest of 5,10% p.a. and a term of five years.

In addition, on January 24, 2008, PNBV signed an offshore trade-related loan agreement with Banco Bilbao Vizcaya Argentaria S.A. for the amount of US$ 100 million, with interest of 3,96% p.a. and a term of four years.

These funds were used in full settlement of the intercompany loans with Braspetro Oil Services Company (Brasoil), in the amount of US$ 184,5 million.

14.6 Global Notes

PifCo completed a note exchange offer, with the transaction being settled on February 07, 2007. As a result, PifCo received and accepted offers in the amount of US$ 399 million (par value). The old securities received under the exchange were cancelled on the same date and as a result PifCo issued new securities on the transaction settlement date maturing in 2016 with a coupon of 6,125% p.a. to the amount of US$ 399 million. The securities constitute a single, fungible issuance with the US$ 500 million issued on October 06, 2006, amounting to US$ 899 million in securities issued with maturity in 2016. PifCo also paid investors the amount equal to US$ 56 million as a result of the offering to exchange the securities.

On November 01, 2007 the subsidiary PifCo concluded its bond issue of US$ 1 billion in senior debt, unsecured Global Notes on the international market, due March 01, 2018, with the following characteristics: (i) coupon of 5,875% p.a. (ii) yield of 6,059% p.a; and (iii) issue price of 98,612%. Interest will be paid on March 01 and September 01 of each year, with the first payout due March 01, 2008.

On January 11, 2008, PifCo issued Senior Global Notes of US$ 750 million, constituting a single, fungible issue with the amount of US$ 1 billion launched on November 1, 2007, totaling US$ 1.750 million in bonds, with a due date of March 01, 2018, coupon of 5,875% p.a. and interest to be paid every 6 months from March 01, 2008 onwards. The purpose of the operation was to access the long term capitals market, refinance the early repayment of old debts and reduce the cost of its capital.

14.7 Pesa Issues Marketable Obligations

On May 07, 2007 Petrobras Energia S.A. (Pesa), issued Marketable Obligations amounting to US$ 300 million with a term of 10 years and 5,875% interest p.a.

The marketable obligations are secured by Petrobras through a Standby Purchase Agreement, under which, in the event of failure by Pesa to perform any of its commitments, Petrobras will be required to buy the rights from the holders of the Marketable Obligations.

14.8 Credit facility agreement to finance exports

On October 03, 2007, Petrobras contracted a credit facility of R$ 500.000 thousand with the Banco do Brasil. The transaction was ensured by an Export Credit Note - NCE, the sole purpose of which is to increase Petrobras' exports of ethanol, in light of the future prospects for growth of biofuel business, as highlighted in the company's strategic plan and was negotiated with the following terms:

- Term: 2 years, with settlement of the principal and interest at the end of the term;
- Interest rate: 96,2% of the CDI;
- Clause providing for early repayment as from 180 days of the withdrawal with no penalties;
- Exemption of IOF tax; and
- Waiver of guarantees.

On March 17 and 26, 2008, Petrobras contracted a credit facility of R$ 750.000 thousand and R$ 500.000 thousand with the Banco do Brasil. The transaction was ensured by an Export Credit Note - NCE, the sole purpose of which is to increase Petrobras' exports of ethanol, in light of the future prospects for growth of biofuel business, as highlighted in the company's strategic plan and was negotiated with the following terms:

- Term: 2 years and 3 years, with settlement of the principal and interest at the end of the term;
- Interest rate: 95% of the CDI;
- Clause providing for early repayment as from 180 days of the withdrawal with no penalties;
- Exemption of IOF tax on presentation of proof of the export operations; and
- Waiver of guarantees.

14.9 Other information

Loans and financing are mainly intended to fund purchases of raw materials, development of oil and gas production projects, construction of vessels and pipelines and the expansion of industrial plants.

a) Debentures

The debentures issued through the BNDES to finance the anticipated acquisition of the right to use the Bolivia-Brazil Gas pipeline, over a 40-year period, to transport 6 million m³/day of gas ("TCO - Transportation Capacity Option"), totaled R$ 430.000 thousand (43.000 notes with par value of R$ 10) maturing February 15, 2015. These debentures are secured on common shares of TBG.

In August 2006, Alberto Pasqualini - Refap S.A. issued simple, nominative, book entry debentures, which as of March 31, 2008 totaled R$ 732.147 thousand, for the purpose of expanding and modernizing its industrial facilities. The issue was made on the following terms (basic terms approved by the BNDES and BNDESPAR on June 23, 2006): amortization over 96 months plus a six-month grace period; 90% of the debentures subscribed by the BNDES with interest at the Brazilian Long-term Interest Rate (TJLP) + 3,8% p.a.; and 10% of the debentures subscribed by BNDESPAR at the interest rate of the BNDES' basket of currencies plus 2,3% p.a.

a.1) Guarantees

Petrobras is not required to provide guarantees to foreign financial institutions. Financing obtained from the BNDES is secured by the assets being financed (carbon steel pipes for the Bolivia-Brazil Pipeline and vessels).

On account of the guarantee contract issued by the Federal Government in favor of the Multilateral Credit Agencies, as a result of the loans raised by TBG, counter-guarantee contracts have been signed by the Federal Government, TBG, Petrobras, Petroquisa and Banco do Brasil S.A., whereby TBG undertakes to tie its revenues to the order of the National Treasury until the settlement of the obligations guaranteed by the Federal Government.

In guarantee of the debentures issued, Refap has a short-term investment account (bank deposits indexed to credit operations), tied to variations of the Interbank Deposit Certificate - CDI

Refap has to maintain three times the value of the sum of the last installment due of the amortization of the principal and related charges.

b) Indebtedness of CIESA and TGS

In order to clean up the finances of Compañia de Inversiones de Energia S.A. - CIESA, a jointly-controlled company, Pesa transferred its interest of 7,35% in the capital of Transportadora de Gás Del Sur S.A. - TGS, a subsidiary of CIESA, to ENRON, and ENRON simultaneously transferred 40% of its interest in the capital of CIESA to a trustee.

In a second stage of the process, once the approvals required from Ente Nacional Regulador del Gas - ENARGAS (National Gas Regulatory Agency) and Comisión Nacional de Defensa de la Competencia (National Competition Defense Commission) have been obtained, ENRON shall transfer the remaining 10% interest in CIESA to the financial creditors in exchange for 4,3% of the class B common shares in TGS that CIESA will hand over to its financial creditors, in part payment of the debt. The remaining balance of the financial debt will be capitalized by the creditors.

As it is operating under long-term constraints which significantly hinder its capacity to transfer capital to investors, and until the process to clean up the finances of the company is not concluded, CIESA will continue to be excluded from the consolidation process of Petrobras, pursuant to CVM Instruction 247/96.

c) Platform P-56 construction project

On October 30, 2007 Petrobras signed an agreement with FSTP Consortium (Keppel Fels and Technip) for the construction of the P-56 semi-submersible platform to allow production at Module 3 of the Marlim Sul field, worth approximately R$ 1,2 billion, including the platform's engineering, supply, construction and assembly (hull and process plant) services. The construction work will involve two other agreements, that was sign on October 31, 2007, one being for the provision and supply of the gas compression modules, worth R$ 141 million, with Nuovo Pignone S.p.A., and the other for the provision, assembly, operation, and maintenance of the power modules, worth US$140 million, with Rolls-Royce Energy Systems Inc. and UTC Engenharia S.A.

The platform is dimensioned to operate for 25 years.

This production unit is expected to start its commercial operations on the second semester of 2011 and to contribute to Petrobras reaching the oil and gas production goals specified in the Company's Strategic Plan.

15 Financial income (expenses), net

Financial charges and net monetary and exchange variation, allocated to the income statement for the first quarter of 2008 and 2007, are as follows:

	R$ Thousand			
	Consolidated		Parent Company	
	JAN-MAR/2008	JAN-MAR/2007	JAN-MAR/2008	JAN-MAR/2007
Financial expenses				
Loans and financings	(544.660)	(649.583)	(129.141)	(130.280)
Suppliers	(28.946)	(9.879)	(614.873)	(443.592)
Debt restructuring expenses		(112.387)		
Other	(240.593)	(111.344)	(189.865)	(14.830)
	(814.199)	**(883.193)**	**(933.879)**	**(588.702)**
Financial revenue				
Short Term Investments	182.799	258.497	227.725	137.572
Marketable Securities	159.801	118.250	103.949	50
Subsidiaries, joint subsidiaries and associated companies			904.996	727.130
Advances to suppliers	9.704	13.389	9.704	13.389
Advances for pension plan	20.988	18.361	20.988	18.361
Other	331.850	275.560	93.890	89.132
	705.142	**684.057**	**1.361.252**	**985.634**
Monetary and exchange variation, net	**(290.505)**	**(736.143)**	**(281.959)**	**(972.097)**
	(399.562)	**(935.279)**	**145.414**	**(575.165)**

16 Other operating expenses, net

	R$ Thousand			
	Consolidated		Parent Company	
	JAN-MAR/2008	JAN-MAR/2007	JAN-MAR/2008	JAN-MAR/2007
Expenses relating to renegotiation of the pension plan (*)		(1.039.910)		(962.193)
Institutional relations and cultural projects	(279.132)	(288.819)	(268.004)	(256.675)
Operating expenses on thermoelectric power stations	(161.059)	(165.311)	(181.415)	(138.048)
Corporate expenditure on environment, healthcare and safety (SMS)	(79.050)	(94.615)	(79.050)	(97.596)
Collective labor agreements				
Losses and contingencies with judicial processes	(154.675)	(10.608)	(23.960)	(4.642)
Contractual and regulatory fines	(252.506)		(284.205)	
Contractual charges on shipment services - “ship or pay”	(21.439)	(15.476)		
Unscheduled stoppages on production facilities and equipment	(52.559)	(60.005)	(52.385)	(60.005)
Other	(144.218)	(210.927)	(215.965)	(284.359)
	(1.144.638)	**(1.885.671)**	**(1.104.984)**	**(1.803.518)**

(*) Refers to the financial incentive paid to the participants and other related expenses, in order to enable the Plan to be renegotiated.

17 Taxes, contributions and participations

17.1 Recoverable taxes

	R$ thousand			
	Consolidated		Parent Company	
Current assets	**03.31.2008**	**12.31.2007**	**03.31.2008**	**12.31.2007**
Local:				
ICMS	3.472.893	2.878.563	2.984.955	2.455.357
PASEP/COFINS	1.714.942	1.545.852	1.114.164	1.030.782
CIDE	94.451	239.259	54.566	32.385
Income tax	668.744	723.234	323.312	271.363
Social contribution	127.920	156.105	26.004	25.990
Deferred income tax and social contribution	1.244.710	1.418.172	925.842	1.122.215
Other taxes	271.049	319.108	184.718	187.125
	7.594.709	7.280.293	5.613.561	5.125.217
Foreign:				
Value Added Tax - VAT	161.508	217.786		
Deferred income tax and social contribution	92.396	70.004		
Other taxes	320.279	213.453		
	574.183	501.243		
	8.168.892	**7.781.536**	**5.613.561**	**5.125.217**

17.2 Taxes, contributions and participations payable

	R$ Thousand			
	Consolidated		Parent Company	
Current liabilities	**03.31.2008**	**12.31.2007**	**03.31.2008**	**12.31.2007**
ICMS	1.818.027	2.123.583	1.576.684	1.894.268
PASEP/COFINS	952.350	944.514	760.512	749.339
CIDE	547.393	606.101	488.010	548.553
Special participation program/royalties	3.110.879	2.871.914	3.077.644	2.826.134
Income tax and social contribution retentions	423.741	677.212	393.152	589.079
Current Income tax and social contribution	1.890.779	783.679	1.286.849	213.548
Deferred income tax and social contribution	1.092.901	1.716.006	877.693	1.554.655
Other taxes	371.132	283.263	100.686	117.916
	10.207.202	**10.006.272**	**8.561.230**	**8.493.492**

17.3 Deferred taxes and social contribution deferred - non-current

	R$ Thousand			
	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Non-current				
Assets				
Deferred income tax and social contribution	3.821.400	3.921.534	1.756.521	1.776.187
Deferred ICMS	708.626	990.878	490.061	755.058
Deferred PASEP/COFINS	3.432.286	3.145.403	3.302.918	3.026.238
Other	217.737	275.675		
	8.180.049	**8.333.490**	**5.549.500**	**5.557.483**
Liabilities				
Deferred income tax and social contribution	11.573.104	10.352.712	9.464.050	8.433.677
Other	66.335	66.042		
	11.639.439	**10.418.754**	**9.464.050**	**8.433.677**

17.4 Deferred income tax and social contribution

The grounds and expectations for the realization are presented as follows:

a) Deferred income tax and social contribution assets

	R$ Thousand		
	03.31.2008		
Nature	Consolidated	Parent Company	Basis for realization
Pension Plan	1.671.289	1.637.442	By payment of the contributions of the sponsor.
Unrealized profits between companies in the system	1.320.545		By means of effective profit accomplishment.
Plan Provisions for contingencies and for uncollectible accounts	428.278	274.848	By realization of losses in view of the outcome of legal suits and overdue credits.
Tax losses	371.021		With future taxable profits.
Provision for profit sharing	274.785	243.667	By payment.
Provision for ANP research and development investment	232.243	232.243	By realization of the expenditures.
Temporary difference between the accounting and tax depreciation criteria	87.021	65.598	To be realized during the period of depreciation of assets under the straight line method.
Absorption of conditional loans	67.420		End of the loan agreements
Other	705.904	228.565	
Total	5.158.506	2.682.363	
Non-current	3.821.400	1.756.521	
Current	1.337.106	925.842	

b) Deferred income tax and social contribution liabilities

	R$ thousand		
	03.31.2008		
Nature	Consolidated	Parent Company	Basis for realization
Cost of prospecting and drilling activities for oil extraction	10.056.900	10.056.900	Depreciation based on the unit-of production method in relation to the proven/developed reserves on the oil fields.
Temporary difference between the accounting and tax depreciation criteria	632.080	33.113	The difference in depreciation / amortization used for tax and accounting purposes.
Income tax and social contribution - foreign operations	401.751	219.483	Through occurrence of triggering events that generate income.
Investments in subsidiaries and affiliated companies	199.376		Through occurrence of triggering events that generate income.
Foreign exchange variations on financing	817.497		Cash basis reporting
Other	558.401	32.247	
Total	12.666.005	10.341.743	
Non-current	11.573.104	9.464.050	
Current	1.092.901	877.693	

c) Realization of deferred income tax and social contribution

At the Parent Company level, realization of deferred tax credits amounting to R$ 2.682.363 thousand does not depend on future income since these credits will be absorbed annually by realizing the deferred tax liability. In the consolidated statements, for the portion exceeding the Parent Company's balance, when applicable, the management of the subsidiaries expects to offset these credits over ten years, based on the projections made.

	R$ Thousand			
	Realization expectation			
	Consolidated		Parent Company	
	Deferred income tax and social contribution assets	Deferred income tax and social contribution liabilities	Deferred income tax and social contribution assets	Deferred income tax and social contribution liabilities
2008	1.198.477	1.020.695	925.842	877.693
2009	684.309	1.454.832	303.045	877.695
2010	377.116	1.106.618	259.980	879.179
2011	468.111	1.093.421	253.860	886.475
2012	659.027	1.147.972	540.847	893.905
2013	357.887	1.055.452	253.253	881.082
2014 and thereafter	1.413.579	5.787.015	145.536	5.045.714
Amount accounted for	5.158.506	12.666.005	2.682.363	10.341.743
Amount not accounted for	1.332.682		387.562	
Total	**6.491.189**	**12.666.005**	**3.069.925**	**10.341.743**

The subsidiary Petrobras Energia S.A. (Pesa) and its subsidiaries have tax credits arising from accumulated tax losses amounting to approximately US$ 108.000 thousand (R$ 188.903 thousand), which were not recorded in asset accounts. In accordance with specific legislation in Argentina and other countries where Pesa has investments that define the expiration date for such credits, these credits may be offset against future taxes payable limited to US$ 69.000 thousand (R$ 120.688 thousand) until 2009 and, from 2010 onwards, US$ 39.000 thousand (R$ 68.215 thousand).

Some subsidiaries abroad have tax losses, accumulated during the exploratory stage. These credits will be recognized if the enterprise is successful, against taxable income generated in the future.

17.5 Reconciliation of income tax and social contribution

The reconciliation of income tax and social contribution determined in accordance with nominal rates and the related amounts recorded in the 1st quarter of 2008 and 2007 is presented below:

a) Consolidated

	R$ Thousand	
	Jan-Mar/2008	Jan-Mar/2007
Income for the period before tax and after profit sharing for employees	10.943.673	7.574.776
Income tax and social contribution at nominal rates (34%)	(3.720.849)	(2.575.424)
Adjustments to determine effective rate:		
• Permanent additions, net	(151.912)	(172.740)
• Tax incentives	24.727	14.414
• Tax credits of companies abroad in exploratory stage	(58.094)	(108.554)
• Other	(64.548)	(125.631)
Expense for income tax and social contribution provisions	(3.970.676)	(2.967.935)
Deferred income tax and social contribution	(737.177)	(105.886)
Current income tax and social contribution	(3.233.499)	(2.862.049)
	(3.970.676)	(2.967.935)
Effective rate of income tax and social contribution	36,3%	39,2%

b) Parent Company

	R$ Thousand	
	Jan-Mar/2008	Jan-Mar/2007
Income for the period before tax and after profit sharing employees	10.036.604	6.791.071
Income tax and social contribution at nominal rates (34%)	(3.412.445)	(2.308.964)
Adjustments to determine effective rate:		
• Permanent additions, net	101.989	(161.133)
• Tax incentives	24.365	12.683
• Other	712	2.663
Expense for income tax and social contribution provisions	(3.285.379)	(2.454.751)
Deferred income tax and social contribution	(569.451)	(35.641)
Current income tax and social contribution	(2.715.928)	(2.419.110)
	(3.285.379)	(2.454.751)
Effective rate of income tax and social contribution	32,7%	36,1%

18 Employee benefits

18.1 Pension Plan - Fundação Petrobras de Seguridade Social - Petros

a) Petros Plan

Fundação Petrobras de Seguridade Social - Petros, set up by Petrobras, introduced the Petros Plan, a defined-benefit pension plan, in July of 1970 to ensure members a supplement to the benefits provided by Social Security. The Petros Plan is closed to employees of the Petrobras System who have joined since September 2002.

On March 31, 2008, the Petros Plan is represented by the following sponsor companies in the Petrobras System: Petrobras, Petrobras Distribuidora S.A. (BR), Petroquisa, and Alberto Pasqualini - Refap S.A..

04.01 – NOTES TO QUARTERLY INFORMATION

Evaluation of the Petros costing plan is performed by independent actuaries based on a capitalization system for the majority of the benefits, and currently, this Foundation receives monthly contributions from the sponsoring companies of the Petros Plan amounting to 12,93% of the payroll of employees who participate in the plan and contributions from employees and retirees. As at March 31, 2008, the ratio between contributions from sponsors and those from participants in the Petros Plan, taking into account only those attributable to Petrobras and its subsidiaries, was 1,083.

If a deficit is determined in the defined benefit plan, as established by Constitutional Amendment No. 20 of 1998, it should be settled by an adjustment to the normal contributions, to be equally shouldered by the sponsors and the participants.

The actuarial commitments with respect to the pension and retirement plan benefits are provided for in the Company's balance sheet based on calculations prepared by independent actuaries, in accordance with the projected unit of credit method. This method considers each period of service as generating an additional unit of benefit, net of the assets guaranteeing the plan, when applicable, with the costs relating to the increase in the present value of the obligation resulting from the service rendered by the employee being recognized over their working period.

The actuarial gains and losses generated by the differences between the values of the obligation and assets, determined on the basis of actuarial premises (biometric and economic assumptions), among other estimates and the actual figures are, respectively, included or excluded from the calculation of the net actuarial liability. These gains and losses are amortized over the average remaining time of service of the active employees.

The Board of Directors of Petrobras presented to employee participants and retired members, a proposal which sought to afford equilibrium to the current Petros Plan. Among the various conditions to the feasible and effective implementation of the plan is the renegotiation of the Regulations of the Petros Plan, with respect to means of readjusting the retirement benefits and pensions (detachment from the INSS and indexation based on the IPCA).

On September 12, 2007, Petrobras and the subsidiaries sponsoring the Petros Plan, trade union organizations and Petros signed a Settlement Agreement that will cover commitments with pension plans in the amount of R$ 4.766.152 thousand, which will be paid in installments over the next 20 years, as previously agreed during the renegotiation process. The process regarding the Agreement on Reciprocal Obligations is still awaiting judicial ratification, after which the sponsors will sign the Terms of Financial Commitment for the settlement thereof. This amount and other items of the terms will be adjusted, backdated to December 31, 2006 at the IPCA rate + 6% p.a.

On March 31, 2008, Petrobras held long-term National Treasury Notes in the amount of R$ 3.410.210 thousand, purchased to set against amounts owed to Petros, which will be held in the Company's portfolio and used in the future as a guarantee for the abovementioned Term of Financial Commitment.

On March 31, 2008, Petrobras had an advance balance for the pension plan to the amount of R$ 1.335.876 thousand (R$ 1.296.810 thousand as at December 31, 2007), which may be used to settle Petrobras' commitments with the Petros Plan, as set forth in the Term of Financial Commitment.

b) Petros Plan 2

On June 22, 2007, the Supplementary Pensions Office approved the introduction of a new supplementary pension plan called Petros Plan 2. As from July 01, 2007, the Company implemented the new private pension plan for employees with no supplementary pension plan.

This Plan was formulated according to the Variable Contribution (CV), or mixed model, with the resources capitalized through particular accounts, retirement pensions established according to the account balances, in addition to the coverage for social security risks (disability and mortality before retirement) and the benefit payment options in case of perpetual assistance system, with estimated pension reversal for dependents after the death of the holder, in addition to the guarantee of a minimum benefit, or the quotas receiving regiment, for an unlimited period.

Petrobras and the other sponsors fully assumed the contributions corresponding to the period in which the participants had no plan, from August 2002 or the date of admission onwards, up to August 29, 2007, the final date for enrollment in the plan. The plan will continue to admit new subscribers after this date, but no longer including payment for the period relating to past service.

The disbursements relating to the cost of past service will be made on a monthly basis over the first months for contributions up to the total months the participant had no plan, and should therefore cover the portion relating to the participants and sponsor.

18.2 Petrobras Energia S.A.

a) Defined contribution pension plan

In 2005, Petrobras Energia S.A. (PESA), implemented a voluntary defined contribution plan, available to all employees who meet certain conditions. The company contributes amounts equal to the contributions made by the employees, in accordance with the contribution specified for each wage level.

The plan's cost is recorded in accordance with the contributions made by the company, which in the 1st quarter of 2008 totaled the equivalent of R$ 929 thousand (R$ 1.323 thousand in 2007).

b) Defined benefit pension plan

b.1) "Termination Indemnity" Plan

This is a benefit plan by which, on retirement, employees meeting certain conditions are eligible to receive one month's salary for each year they have worked for the Company, on a sliding scale, according to the number of years the plan has existed.

b.2) "Fondo Compensador" Plan

This benefit is available to all Pesa employees who joined the defined contribution plans in force in the past and who joined the company prior to May 31, 1995 and have accumulated the required service time. The benefit is calculated in complement to the benefits awarded under these plans and by the system of retirement, so that the total benefit received by each employee is equal to the amount defined in this plan.

In accordance with the Pesa Bylaws, the Company contributes to the fund based on a proposal made to the Meeting by the Board of Directors up to the maximum amount equal to 1,5% of the net income in each year.

If a surplus is recorded and duly certified by an independent actuary in the funds allocated to trusts for payment of the defined benefits awarded by the plan, Pesa may use these funds by simply notifying the trustee of this fact.

18.3 Healthcare benefits plan

a) "Assistência Multidisciplinar de Saúde" (AMS)

Petrobras and its subsidiaries Petrobras Distribuidora S.A., Petroquisa, and Alberto Pasqualini - Refap S.A., maintain a healthcare benefit plan (AMS), which offers defined benefits and covers all employees of the companies in Brazil (active and inactive) and their dependents. The plan is managed by the Company, with the employees contributing a fixed amount to cover the principal risks and a portion of the costs relating to other types of coverage in accordance with participation tables defined by certain parameters including salary levels, in addition to the pharmacy benefit that provides special terms for AMS plan holders to purchase certain medications in registered pharmacies, distributed throughout the country.

The commitment of the Company relating to future benefits due to the employees participating in the plan is calculated annually by an independent actuary, based on the Projected Credit Unit method, in a manner similar to the calculations made for the commitments with pensions and retirements, described earlier.

The medical assistance plan is not covered by guaranteeing assets. The payment of the benefits is made by the Company based on the costs incurred by the participants.

18.4 Other Defined Contribution Plans

Some Petrobras subsidiaries sponsor retirement plans for their employees, based on the defined contribution model. These include Transpetro, Suzano Petroquímica S.A., Petroquímica Triunfo S.A., Ipiranga Asfalto S.A. and Transportadora Brasileira Gasoduto Bolívia-Brasil (TBG), the new plan of this last company having been approved by the Department of Coordination and Governance of State Companies (DEST), and is currently being examined by the Secretary for Supplementary Pension Funds (SPC), with approval expected in May 2008, after which the campaign to publicize the plan to employees may begin.

18.5 The balance of the provisions for expenses associated with post-retirement benefits, calculated by independent actuaries, shows the following movements:

R$ Thousand

	Consolidated			Parent Company		
	Defined Benefit Pension Plan	Variable Contrib. Pension Plan	Supplem. Medical Assistance	Defined Benefit Pension Plan	Variable Contrib. Pension Plan	Supplem. Medical Assistance
Balance at January 1, 2008	4.927.134	17.270	9.727.919	4.509.080	15.683	8.983.942
(+) Costs incurred during the period	207.497	34.210	383.535	183.138	33.432	358.531
(-) Payment of contributions	(122.999)	(76.707)	(98.644)	(112.272)	(73.799)	(94.028)
Others	3.266					
Balance at 1st Quarter, 2008	**5.014.898**	**(25.227)**	**10.012.810**	**4.579.946**	**(24.684)**	**9.248.445**
Current liabilities	407.933	17.003	455.214	370.408	15.683	429.666
Non-current liabilities	4.606.965	(42.230)	9.557.596	4.209.538	(40.367)	8.818.779

According to calculations performed by independent actuaries, the net expense on pension and retirement benefits plans awarded and to be awarded to employees, retired employees and pensioners, and healthcare plans for 2008 includes the following components:

R$ Thousand

	Consolidated			Parent Company		
	Defined Benefit Pension Plan	Variable Contrib. Pension Plan	Supplem. Medical Assistance	Defined Benefit Pension Plan	Variable Contrib. Pension Plan	Supplem. Medical Assistance
Current service cost	114.860	40.455	49.421	100.914	39.172	45.035
Interest cost	1.034.915	9.484	306.941	969.678	9.160	286.517
Estimated return on the plan's assets	(860.088)	(8.196)		(809.753)	(7.886)	
Amortization of unrecognized gains/losses	1.391	743	26.246			26.053
Contributions from participants	(90.521)	(26.791)		(83.342)	(25.528)	
Unrecognized cost of the past service	5.646	18.514	949	5.646	18.514	949
Others	1.294	1	(22)	(5)		(23)
Net cost up to 1st Quarter, 2008	**207.497**	**34.210**	**383.535**	**183.138**	**33.432**	**358.531**

The restated provisions were recorded in the income statement for the year, as shown:

R$ Thousand

	Consolidated			Parent Company		
	Defined Benefit Pension Plan	Variable Contrib. Pension Plan	Supplem. Medical Assistance	Defined Benefit Pension Plan	Variable Contrib. Pension Plan	Supplem. Medical Assistance
Relating to active employees:	**113.723**	**34.210**	**121.236**	**95.162**	**33.432**	**110.565**
Absorbed in the cost of operating activities	62.801	18.289	69.188	59.830	18.153	66.969
Directly to income	50.922	15.921	52.048	35.332	15.279	43.596
Relating to inactive members	**93.774**		**262.299**	**87.976**		**247.966**
Net cost up to 1st Quarter, 2008	**207.497**	**34.210**	**383.535**	**183.138**	**33.432**	**358.531**

19 Deferred income

In accordance with CVM Instruction No. 469 dated May 02, 2008, donations and subsidies resulting from operations and events occurring as from the coming into force of Law No. 11.638 of 2007, are to be temporarily recorded in specific accounts under Deferred Income until the CVM issues a specific regulation on the matter.

At March 31, 2008, the balance of R$ 257.730 thousand is comprised of R$ 181.156 thousand from an investments subsidy incentive in the Northeast, within the region covered by the Northeast Development Agency (SUDENE), granting a 75% reduction in income tax payable, calculated on the profits of the exploration of the incentive activities, and R$ 76.574 thousand relating to the portion of the reinvestment project approved by SUDENE.

The balances of the capital reserves refer to donations and investment subsidies that existed at the end of the financial year of 2007 and have been maintained in their respective accounts until they have been fully utilized, in accordance with Law 11.638.

20 Shareholders' equity

20.1 Paid-up Capital

As at March 31, 2008, subscribed and paid up capital amounts to R$ 52.644.460 thousand and is divided into 2.536.673.672 common shares and 1.850.364.698 preferred shares, all of which are book-entry shares with no face value.

The Extraordinary General Meeting held on March 24, 2008, approved the 2-for-1 share split for all the shares comprising the share capital, both for those traded on the BOVESPA and those tied to the ADRs (American Depository Receipts) traded on the New York Stock Exchange, resulting in:

- the gratuitous distribution of 01 (one) new share of the same type for every 01 (one) share held on April 25, 2008;
- the gratuitous distribution of 01 (one) ADR of the same type for every 01 (one) ADR held; and
- the consequent amendment to the text of Article 4 of the Company's Bylaws, as of April 25, 2008, specifying that the ratio of exchange between ADRs and the corresponding shares of each type will be maintained, continuing as 02 (two) shares for 01 (one) ADR.

20.2 Tax incentives - SUDENE

Includes an investments subsidy incentive in the Northeast, within the region covered by the Northeast Development Agency (SUDENE), granting a 75% reduction in income tax payable, calculated on the profits of the exploration of the incentive activities, in the amount of R$ 1.170.923 thousand as at March 31, 2008, and which may only be utilized to offset losses or for a capital increase, as provided for in Article 545 of the Income Tax Regulations.

20.3 Dividends

The Ordinary General Meeting held on April 04, 2008, approved dividends relating to the financial year of 2007 in the amount of R$ 6.580.558 thousand, corresponding to 31,44% of the basic profit for dividend purposes and to R$1,50 per common and preferred share alike comprising the share capital, which shall be restated monthly according to the variation in the Selic interest rate, from December 31, 2007 up to the date on which payment commences.

The dividend is being distributed as follows:

Share position Date	Amount per share ON and PN	Payment Date
08.17.2007	R$ 0,50	01.23.2008
10.05.2007	R$ 0,50	03.31.2008
01.11.2008	R$ 0,30	04.30.2008
04.04.2008	R$ 0,20	by 06.03.2008

This dividend includes interest on shareholders' capital, in the amount of R$ 6.361.206 thousand, which is subject to withholding tax at the rate of 15%, except for untaxed or exempt shareholders, equivalent to R$1,45 (one Real and forty five cents) per common and preferred share alike.

21 Judicial actions and contingencies

21.1 Judicial actions and contingencies recorded

Petrobras and its subsidiaries are involved in several legal actions for civil, tax, labor and environmental issues arising in the normal course of business. Based on the advice of its internal legal counsel and management's best judgment, the Company has recorded provisions in amounts sufficient to cover losses that are considered probable. As of March 31, 2008 these provisions are presented as follows, according to the nature of the lawsuits:

	Consolidated		Parent Company	
	03.31.2008	12.31.2007	03.31.2008	12.31.2007
Social security contingencies	54.000	54.000	54.000	54.000
Labor claims	88.742	90.022	12.284	11.905
Tax proceedings	207.714	205.039	10.219	9.948
Civil proceedings (*)	382.110	248.544	188.439	186.562
Other contingencies	79.813	70.364		
Total non-current liabilities	758.379	613.969	210.942	208.415
Total	**812.379**	**667.969**	**264.942**	**262.415**

(*) Net of Judicial Deposit - according to CVM Resolution 489/05

Fishermen Federation of Rio de Janeiro - FEPERJ

On behalf of its members, FEPERJ is making several claims for indemnification as a result of the oil spill in Guanabara Bay which occurred on January 18, 2000. At that time, Petrobras paid out extrajudicial indemnification to everyone who proved to be fishermen when the accident occurred. According to the records of the national fishermen's register, only 3.339 could claim indemnification.

04.01 – NOTES TO QUARTERLY INFORMATION

On February 02, 2007 a decision, partly accepting the expert report, was published and, on the pretext of quantifying the value of the sentence, established the parameters for the calculation thereof, which, based on these criteria, would result in a value of R$ 1.102.207 thousand. Petrobras appealed against this decision before the Rio de Janeiro Court of Appeal, as the parameters stipulated in the decision are different to those that had already been specified by the Rio de Janeiro Court of Appeal itself. The appeal was accepted. The decision handed down by the First Civil Chamber of the Court of Appeals of the State of Rio de Janeiro was published on June 29, 2007, denying approval of the appeal filed by Petrobras and approving the appeal filed by FEPERJ, which represents a significant increase in the value of the damages to be awarded, since in addition to having maintained the 10 years indemnification period, it increased the number of fishermen included in the claim. In September 2007, Petrobras obtained annulment of this decision, the court determining that the appeals be re-examined by the original court. We are waiting further expert accounting audits to redefine the amounts. Based on the Company's experts' assistants calculation, the recorded amount of R$ 31.453 thousand was maintained, updated to March 31, 2008, as representing the amount that we understand will be set by the higher courts at the end of the process.

21.2 Legal suits not provided for

The chart on the following page shows the situation of the main lawsuits considered as probable losses:

Description	CurrentSituation
Plaintiff: Porto Seguro Imóveis Ltda. *Nature: Civil* Porto Seguro, a minority shareholder of Petroquisa, filed a lawsuit against Petrobras, relating to alleged losses deriving from the sale of the equity interest held by Petroquisa in several petrochemical companies in the National Privatization Program. The Plaintiff filed the aforesaid lawsuit to obtain an order obliging Petrobras, as the majority shareholder of Petroquisa, to compensate the "loss" inflicted on the assets of Petroquisa by the acts which approved the minimum sale price for its equity interest in the capital of the privatized companies.	On March 30, 2004, the Rio de Janeiro Court of Appeal unanimously granted the new appeal brought by Porto Seguro, ordering Petrobras to indemnify Petroquisa an amount equal to US$ 2.370 million plus 5% as a premium and 20% attorneys' fees. Petrobras filed a Special and Extraordinary Appeal before the High Court of Justice (STJ) and the Federal Supreme Court (STF), which were rejected. Petrobras then filed an Interlocutory Appeal against this decision before the STJ and STF. In accordance with the decision published on June 05, 2006, Petrobras is now awaiting assignment of the agenda to re-examine the matter relating to the blocking of Petrobras' Special Appeal before the STJ and STF. Based on the opinion of its attorneys, the Company does not expect an unfavorable final decision in this proceeding. If the award is not reversed, the estimated indemnity to Petroquisa, including monetary correction and interest, would be R$ 11.932.874 thousand as at March 31, 2008. As Petrobras owns 100% of Petroquisa's share capital, a portion of the indemnity, estimated at R$ 7.875.697 thousand, will not represent actual disbursement from the Petrobras Group. Additionally, Petrobras would have to indemnify Porto Seguro, the plaintiff, R$ 596.644 thousand as a premium and R$ 2.386.575 thousand to Lobo & Ideas for attorney's fees.
Plaintiff: Federal Revenue Office of Rio de Janeiro *Nature: Tax* Tax deficiency notice relating to Withholding Income Tax calculated on remittances of payments for chartering vessels referring to the period of 1998 and 1999 to 2002.	Petrobras submitted new Administrative Appeals to the Higher Chamber of Tax Appeals, the highest administrative level, which are pending judgment. Updated maximum exposure: R$ 4.238.955 thousand.

04.01 – NOTES TO QUARTERLY INFORMATION

Description	CurrentSituation
Plaintiff: Federal Revenue Inspectorate in Macaé *Nature: Tax* II and IPI - Sinking of the P-36 platform	Lower court decision against Petrobras. A Voluntary Appeal has been filed which is pending judgment. Petrobras filed a writ of mandamus and obtained a favorable decision staying any tax collections until the investigations determining the reasons that caused the platform to sink have been concluded. The Federal Government / National Revenue Office have filed an appeal which is pending judgment. With the decision of the Maritime Court, the Company filed a Tax Debt Annulment Lawsuit and obtained an injunction suspending collection of the tax. Updated maximum exposure: R$ 322.623 thousand.
Plaintiff: SRP - Federal Social Security Office *Nature: Tax* Tax deficiency notices relating to social security charges deriving from administrative proceedings brought by the INSS which attribute joint liability to the Company for the engagement of civil construction and other services.	Of the amounts the Company disbursed to guarantee the filing of appeals and/or obtainment of the Debt Clearance Certificate from the INSS, R$ 115.614 thousand is recorded as judicial deposits which could be recovered in the proceedings in progress, relating to 331 tax deficiency notices amounting to R$ 362.700 thousand as at March 31, 2008. Petrobras' legal department classifies the likelihood of loss with regard to these deficiency notices as possible, as it considers the risk of future disbursement to be minimal.
Plaintiff: Federal Revenue Office of Rio de Janeiro *Nature: Tax* Tax deficiency notice referring to Import Tax and Excise Tax (II and IPI), contesting the tax classification as Other Electricity Generation Groups for the import of the equipment belonging to the thermoelectric power station Termorio S.A.	On August 15, 2006, Termorio submitted a contestation of the tax deficiency notice to the Federal Revenue Office. On September 15, 2006, the case was referred to the Federal Revenue Office in Florianópolis, where it is still being examined under administrative proceedings. Updated maximum exposure: R$ 592.919 thousand.
Plaintiff: Federal Revenue Office **Nature: Tax** CIDE - Fuels. Non-payment in the period March 2002 to October 2003, pursuant to court orders obtained by Distributors and Fuel Stations, protecting them from levying of this charge.	The lower court ruled the charge was correct. Petrobras filed a Voluntary Appeal. Updated maximum exposure: R$ 1.069.049 thousand.
Plaintiff: State Revenue Office of São Paulo *Nature: Tax* To exclude imports of natural gas from Bolívia from ICMS taxation. ICMS - GASBOL	The lower court ruled the charge was correct. Petrobras filed a Voluntary Appeal. Updated maximum exposure: R$ 683.818 thousand.

04.01 – NOTES TO QUARTERLY INFORMATION

Description	CurrentSituation
Plaintiff: Federal Revenue Office *Nature: Tax* IRRF - Withholding Income Tax on remittances to pay for oil imports.	The claim was accepted by the lower court. A Voluntary Appeal was filed by the Federal Revenue Office to the Council of Taxpayers, which was accepted. Petrobras is awaiting notification in order to file a voluntary appeal. Updated maximum exposure: R$ 698.645 thousand.
Plaintiff: Federal Revenue Office of Rio de Janeiro *Nature: Tax* Corporate Income Tax (IRPJ) and Contribution on Net Income (CSLL) relating to 2003 - Late payment fine on payment made by voluntary admission	The lower court ruled the charge was correct. Petrobras filed a Voluntary Appeal. Updated maximum exposure: R$ 221.295 thousand.
Plaintiff: IBAMA *Nature: Civil* Failure to comply with the Settlement and Commitment Agreement - TAC clause relating to Campos Basin of August 11, 2004 by continuing drilling without prior consent.	The lower administrative court sentenced Petrobras to pay for the non-compliance to the TAC. The company filed and administrative appeal which is awaiting judgment. Updated maximum exposure: R$ 277.953 thousand.
Plaintiff: State Revenue Office of Alagoas *Nature: Tax* Alleged issue of invoices for transfer on unprocessed natural gas (called “rich gas” by SEFAZ-AL) to the state of Sergipe at lower than market prices between 2000 and 2004.	The lower court ruled the charge was correct. Petrobras filed a Voluntary Appeal which is awaiting judgment. Updated maximum exposure: R$ 250.807 thousand.
Plaintiff: Federal Revenue Office *Nature: Tax* Failure by Petrobras to withhold CIDE (Contribution of Intervention in the Economic Domain Charge) on Nafta import operations resold to Braskem.	The lower court ruled, by a majority decision, that the charge was correct. Petrobras filed a voluntary appeal which is awaiting judgment. Updated maximum exposure: R$ 1.369.283 thousand.

a) Environmental issues

The Company is subject to several environmental laws and regulations that regulate activities involving the discharge of oil, gas and other materials, and establish that the effects caused to the environment by the Company’s operations should be remedied or mitigated by the Company. The status of the main environmental cases in which the likelihood of loss is regarded as possible is shown below.

In 2000, an oil spill at the São Francisco do Sul Terminal of Presidente Getúlio Vargas refinery - Repar, approximately 1,06 million gallons of crude oil was poured into the surrounding area. Approximately R$ 74.000 thousand were spent at the time to clean up the affected area and to cover the fines applied by the environmental authorities. The following lawsuit refers to this spill:

Description	Current Situation
Plaintiff: AMAR - Association for Environmental Defense of Araucária *Nature: Environmental* Indemnification for moral and property damage to the environment.	No lower court decision pronounced. Awaiting initiation of the expert investigation to quantify the amount. Updated maximum exposure: R$ 94.710 thousand The court determined that this suit and the suit brought by Paraná Environmental Institute - IAP be tried as one.

In 2001, the company's Araucária-Paranaguá pipeline ruptured due to a seismic movement and caused the spill of approximately 15.059 gallons of fuel oil in several rivers in the State of Paraná. That time the clean up services of the surface of the river were concluded, recovering approximately, 13.738 gallons of oil. As a result of the accident, the following suit was filed against the Company:

Description	Current Situation
Plaintiff: Paraná Environmental Institute - IAP *Nature: Environmental* Fine levied on alleged environmental damages.	Defense partly accepted by the lower court, reducing the fine. Appeal by Petrobras pending judgment at the court of appeal. Updated maximum exposure: R$ 97.769 thousand. The court determined an association with the proceedings brought by AMAR and that the suits be tried as one.

On March 20, 2001, platform P-36 sank in the Campos Basin. As a result of the accident, the following lawsuit was filed against the Company:

Description	Current Situation
Plaintiff: Federal Public Attorney's Office/RJ *Nature: Civil* Indemnification for property damage to the environment - P-36.	According to that published on May 23, 2007, the claim was considered to have grounds, in part, to sentence Petrobras to pay the amount of R$ 100.000 thousand in damages for the damage caused to the environment, to be restated monthly and with 1% per month interest on arrears as counted from the date on which the event took place. Petrobras filed a motion for clarification, which is pending judgment. Updated maximum exposure: R$ 184.423 thousand.

b) Recovery of PIS and COFINS

Petrobras and its subsidiary Gaspetro filed an ordinary lawsuit against the government before the Rio de Janeiro judiciary branch in order to recover, by means of an offset, the amounts paid as PIS on financial revenue and exchange variance gains between February 1999 and November 2002, and COFINS between February 1999 and January 2004, in light of the ruling that Law 9.718/98, article 3, paragraph 1 is unconstitutional.

On November 09, 2005, the Brazilian Supreme Court considered the abovementioned paragraph 1 of article 3 of Law N° 9.718/98 to be unconstitutional.

On January 9, 2006, in view of a final decision by the STF, Petrobras filed a new suit aiming to recover COFINS amounts relating to the period January 2003 to January 2004.

As at March 31, 2008, the amounts of R$ 1.369.283 thousand of Petrobras and R$ 65.840 thousand of Gaspetro, related to the aforesaid cases, is not reflected in these financial statements.

c) Special Participation on Marlim Field

This governmental participation was established by the Brazilian Law on Oil No. 9.478/97 and is collected as a means of compensation for oil production activities, incident upon high volume production fields.

The method used by Petrobras to calculate the special participation due for the Marlim field, is based on the legally legitimate interpretation of Directive 10 of January 14, 1999, approved by the National Petroleum Agency (ANP) itself.

On August 16, 2006, the Full Board of Directors of the ANP approved the Report on the Certification of the Payment of the Special Participation in the Marlim Field that established the methodology to be applied with regard to the Special Participation in Marlim, and also determined that Petrobras make an additional payment in the amount of R$ 400 million, relating to underpayments by Petrobras as a result of having used the calculation method initially determined by the ANP.

Petrobras accepted the order of the ANP, on the grounds that the new methodology had not been applied retroactively, thus ensuring compliance with constitutional principles such as legal security and the perfect legal act and withheld the additional amount charged in accordance with the final decision at the highest level of decision-making at the ANP - its Full Board of Directors.

On July 18, 2007, Petrobras was notified of a new ANP Board Resolution stipulating the payment of further sums considered due, retroactively to 1998, annulling the earlier Board Resolution.

Petrobras filed a petition of writ of mandamus and obtained an injunction to suspend the charge of the differences with regard to the Special Participation mentioned in ANP Resolution No. 400/2007, until the legal proceedings, currently underway in the Federal Courts of Rio de Janeiro, are concluded. No decision has yet been handed down by the lower court.

The position of Petrobras' legal counsel is that the expectation of disbursement of the amounts claimed is remote.

22 Commitments undertaken by the energy segment

22.1 Natural gas purchase commitment

Petrobras signed contracts with Yacimentos Petrolíferos Fiscales Bolivianos - YPFB, in force until 2019, to purchase natural gas, undertaking to purchase minimum volumes at a price calculated according to a formula tied to the price of fuel oil.

During 2002 and 2005 Petrobras bought less than the minimum volume established in the agreement with YPFB and paid US$ 81.409 thousand (equal to R$ 142.327 thousand as of March 31, 2008) on account of unshipped volumes, the credits of which will be realized through withdrawals of future volumes.

Natural gas purchase commitment	2008	2009	2010	2011	2012-2019
Volume commitment (millions m^3/day)	24	24	24	24	24/per year

22.2 Energy Trading Agreements in the Regulated Environment - CCEAR

On December 16, 2005, the National Electrical Energy Agency - ANEEL held an auction to procure energy for the National Interconnected System - SIN, in the Regulated Procurement Environment - ACR.

By way of its ventures (BSE, SFE, Termoceará Ltda., Termorio S.A. and Unidade de Negócios Três Lagoas), Petrobras sold energy capacity of 1.391 MW at this first new energy auction. In return for selling the capacity of its power stations, the final result of the auction will provide the Company with fixed revenue for 15 years at present values of R$ 199.843 thousand/year as from 2008 through the sale of 352 MW, an additional R$ 210.878 thousand/year as from 2009 through the sale of a further 469 MW and an increase of R$ 277.928 thousand/year as from 2010 through the sale of 570 MW. The contracts were executed on March 13, 2006.

By way of its ventures Termomacaé Ltda and Usina Termoelétrica Bahia I, a subsidiary of Fafen Energia S.A., Petrobras sold energy capacity of 205 MW at the third auction for new energy. By selling the capacity of its power stations, the final result of the auction will provide the Company with fixed revenue for the term of 15 years in present day values of R$ 113.133 thousand/year as from 2011.

By way of its affiliated company Termoelétrica Potiguar and its stake in the consortia Goiana II and Camaçari Pólo de Apoio I (interest of 30%), Camaçari Muricy I and II (interest of 50%) and Pecem II (interest of 45%), the subsidiary Petrobras Distribuidora sold energy capacity of 211 MW. The final result of the auction will provide the company with fixed revenue for the term of 15 years in present day values of R$ 142.197 thousand/year as from 2009.

Additionally, Petrobras will be remunerated for the effective output of its power stations for its variable operating costs.

22.3 Gasene Project

In December 2006 Petrobras obtained two financing loans amounting to R$ 1.360.000 thousand, to be extended by the National Economic and Social Development Bank (BNDES) to the special purpose company Transportadora Gasene S.A., responsible for implementing the Gasene Project.

The Gasene Project consists of constructing pipelines to transport natural gas with a total length of 1,4 thousand km and transportation capacity of 20 million cubic meters per day, connecting the Cabiúnas Terminal in Rio de Janeiro to the city of Catu, in the state of Bahia. The project is comprised of the following sections: Cabiúnas (RJ) - Vitória (ES) gas pipeline; Vitória (ES) - Cacimbas (ES) gas pipeline; and the Cacimbas (ES) - Catu (BA) gas pipeline.

One of the loans, to the amount of R$ 1.050.000 thousand, will be used to acquire pipes for the Cacimbas (ES) - Catu (BA) - Gascac Gas pipeline - which is some 940 km in length and requires an estimated investment of R$ 3.500.000 thousand. The other loan, to the amount of R$ 312.000 thousand, will be used to build the Cabiúnas (RJ) - Vitória (ES) - Gascav Gas pipeline, which is some 300 km in length and requires overall investment of R$ 1.500.000 thousand.

In addition to the BNDES funding, on October 17, 2006 Transportadora Gasene S.A. signed a contract in order to release credit from the BB Fund SPC, by issuing foreign bonds on the international market in the amount equivalent to R$ 800.000 thousand. On October 23, 2006, these bonds were traded, totaling US$ 210 million.

On April 17, 2006 Petrobras and the Chinese state company Sinopec Group entered into an engineering, supply, construction and procurement contract - Engineering Procurement Construction - EPC, regarding the Cabiúnas-Vitória (Gascav) gas pipeline, which is the first part of the Gasene project.

The maximum flow of the trunk pipeline will be 20 million m3/day of gas, with the implementation of two compression stations.

The first section of the Gasene pipeline, the Cacimbas-Vitória section, was issued an Operating License on October 11 and has been operating under test conditions since November 2007.

The second section, Cabiúnas-Vitória, was issued an Operating License on January 30, 2008 and is operating under test conditions since February 2008.

The completion of the first two sections of the Gasene pipeline will enable an additional 6 MMm³/day of natural gas to be supplied to the Southeast region, piped from the production in the Espirito Santo Basin. In 2010, this basin is expected to produce 18,7 MMm³/day.

In the first quarter of 2008, Petrobras began construction of the third section of the Gasene pipeline, the Cacimbas-Catu section, which is 946 km long and is scheduled to be completed in December 2009. For the construction of this section, loan agreements were entered into with BNDES for the construction of this third section of the gas pipeline, in the amount equivalent to R$ 4.510.000 thousand. Part of these funds will come from the transfer of a loan obtained by the BNDES from China Development Bank (CDB), a Chinese financial institution, in the amount of US$ 750 million.

The investments relating to this project are contained in Petrobras' business plan approved for the period 2007-2011 and all the initiatives comply with the Company's strategy of developing and leading the Brazilian natural gas market by creating a basic network for the shipment thereof, integrating the existing gas pipelines and those in expansion in the southeast and northeast of Brazil.

23 Guarantees on concession contracts for oil exploration

Petrobras granted guarantees to the National Petroleum Agency - ANP in the amount of R$ 5.431.763 thousand for the Minimum Exploration Programs defined in the concession contracts for exploration areas, with R$ 3.414.844 thousand remaining in force, net of commitments already undertaken. Of the total amount, R$ 2.567.334 thousand refer to a lien on the oil from previously identified fields already in production, and R$ 847.510 thousand refer to bank guarantees

24 Segment information

Petrobras is an operationally integrated company, and the greater part of the production of crude oil and gas of the Exploration and Production Segment is transferred to other segments of Petrobras.

04.01 – NOTES TO QUARTERLY INFORMATION

In the financial statements by business segment, the Company's operations are presented according to the new organization and management structure approved on October 23, 2000 by the Board of Directors of Petrobras, comprising the following business units:

a) Exploration and production: covers, by means of Petrobras, Brasoil, PNBV, PifCo, PIB B.V., BOC and Special Purpose Companies, the activities of exploration, production development and production of oil, LNG (liquefied natural gas) and natural gas in Brazil, for the purpose of supplying the refineries in Brazil as a priority, and also commercializing the surplus of crude oil as well as oil products produced at their natural gas processing plants;

b) Supply: contemplates, by means of Petrobras, Downstream (Refap), Transpetro, Petroquisa, PifCo, PIB B.V., Refinaria Ipiranga, Pramoa Participações PNBV and Special Purpose Companies, the activities of refining, logistics, transport and sale of oil products, crude oil and alcohol, in addition to interests in petrochemical companies in Brazil and two fertilizer plants;

c) Gas and Energy: includes, by means of Petrobras, Gaspetro, Petrobras Comercializadora de Energia, Petrobras Distribuidora, Special Purpose Companies and Thermoelectric Companies, the transportation and sale of natural gas produced in Brazil or imported, the production and sale of electrical power, equity interests in natural gas transport and distribution companies and in thermoelectric plants;

d) Distribution: responsible for the distribution of oil products, alcohol and vehicular natural gas in Brazil, represented by the operations of Petrobras Distribuidora;

e) International: comprises, by means of PIB B.V., PifCo, 5283 Participações, BOC and Petrobras, the activities of exploration and production of oil and gas, supply, gas and energy and distribution occurring overseas, in several countries in the Americas, Africa, Europe and Asia.

The items that cannot be attributed to the other areas are allocated to the group of corporate entities, especially those linked with corporate financial management, overhead relating to central administration and other expenses, including actuarial expenses relating to the pension and healthcare plans intended for retirees and beneficiaries.

The accounting information by business area was prepared based on the assumption of controllability, for the purpose of attributing to the business areas only items over which these areas have effective control.
We set forth below the main criteria used in determining net income by business segments:

a) Net operating revenues: these were considered to be the revenues from sales to third parties, plus revenues between the business segments, based on the internal transfer prices established by the segments, the calculation methods for which are based on market parameters.

b) Operating income includes net operating revenue, the costs of products and services sold, calculated per business segment, based on the internal transfer price and the other operating costs of each segment, as well as operating expenses, based on the expenses actually incurred in each segment.

c) The financial results are allocated to the corporate group.

d) Assets: covers the assets referring to each segment. The financial equity accounts are allocated to the corporate group.

25 Derivative financial instruments, hedging and risk management activities

The Company is exposed to a series of market risks arising from the normal course of business. Such market risks mainly involve the possibility that changes in interest rates, currency exchange rates or commodity prices will adversely affect the value of the Company's financial assets and liabilities or future cash flows and earnings. Petrobras maintains an overall risk management policy that is evolving under the direction of the Company's executive officers.

25.1 Characteristics of the markets in which Petrobras operates

Petrobras' policy for the risk management of the price of oil and oil products consists basically in protecting the import and export margins in some specific short-term positions (up to six months). Future contracts, swaps, and options are the instruments used in these hedges. These operations are tied to actual physical transactions, that is, they are economic hedge transactions (not speculative), in which all positive or negative results are offset, total or part, by the reverse results of the actual physical market transaction.

04.01 – NOTES TO QUARTERLY INFORMATION

In the period from January to March 2008, hedge transactions were conducted for 21,7% at Petrobras and considering the companies Petrobras, PifCo and Petrobras América Inc. achieved 60,1% of the total volume sold (imports and exports). On March 31, 2008, the open positions on the futures market, as compared to market value, would have presented a negative result of approximately R$ 288 thousand at Petrobras, and a positive result of R$ 5.305 thousand at Petrobras, PifCo and Petrobras America Inc., if they had been settled on this date.

25.2 Financial risk management policy

The risk management strategy involves the use of derivatives to minimize the Company's exposure to the effects of exchange rate fluctuations on certain obligations.

In September 2006, the subsidiary PifCo contracted a hedge operation called a cross currency swap to cover the yen bonds issued in order to fix the Company’s costs in this operation in US Dollars. Interest rates in different currencies are swapped under the cross currency swap. The exchange rate between the yen and the US dollar is set at the start of the transaction and remains fixed throughout its term. On March 31, 2008 this transaction had a fair value, which if it were recorded would result in a gain of R$ 64.461 thousand. The Company does not intend to settle these contracts before they expire.

The subsidiary Petrobras Distribuidora had hedge currency transactions with a negative fair value of R$ 236 thousand as of March 31, 2008. These transactions consist of the sale of forward short-term PTAX dollar contracts, which allow a fixed exchange rate and hedging against a possible devaluation in the period

25.3 Risk assessment

The Company’s interest rate risk is a function of its long-term debt and, to a lesser extent, of its short-term debt. The Company’s foreign currency floating rate debt is mainly subject to fluctuations in Libor and the Company’s floating rate debt denominated in Reais is mainly subject to fluctuations in the Brazilian long-term interest rate (TJLP), as fixed by the Banco Central do Brasil. The Company currently does not use any derivative financial instruments to manage its exposure to fluctuations in interest rates.

25.4 Financial instruments

In the normal course of its business activities, the Company acquires various types of financial instruments.

a) Concentrations of credit risk

Substantial portions of the Company's assets including financial instruments are located in Brazil. The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of its cash and cash equivalents, government securities, accounts receivable and futures contracts.

The Company takes several measures to reduce its credit risk to acceptable levels.

b) Fair value

Fair values are derived either from quoted market prices where available, or, in their absence, the present value of expected cash flows. Fair values of cash and cash equivalents, trade receivables, short-term debt and trade payables approximate their book values. The fair value for the Company's available-for-sale government securities and other long-term assets and liabilities do not differ materially from their book values.

26 Environment, health and safety

The continued improvement in Petrobras' environmental performance, as specified in its Strategic Plan, is associated to the implementation of two major programs: Process Safety (PSP) and Excellence in Operational Safety and Environmental Management (Pegaso).

In the first quarter of 2008, total expenditure by the company on environment, health and safety (SMS), considering investments and operations, totaled R$ 848.000 thousand, of which R$ 498.000 thousand on safety, R$ 286.000 thousand on environment and R$ 64.000 thousand on healthcare. These totals do not include disbursements relating to the Multifaceted Health Plan (AMS) and support given to external environmental programs and/or projects.

In the first quarter of 2008, the Excellence in Operational Safety and Environmental Management Program (Pegaso) recorded total investments and operations in the order of R$ 157.000 thousand.

27 Subsequent Events

27.1 Capital Increase

The Extraordinary General Meeting, held together with the Ordinary General Meeting on April 04, 2008, approved the increase to the Company's share capital from R$ 52.644.460 thousand to R$ 78.966.691 thousand, by capitalizing part of the revenue reserves and part of the capital reserves, in the amount of R$ 26.322.230 thousand of which R$ 1.019.821 thousand from the capital reserve, consisting of R$ 169.142 thousand of the Merchant Navy AFRMM subsidy reserve and R$ 850.679 thousand from the tax incentives reserve and R$ 25.302.409 thousand from the retained earnings reserve, without issuing any new shares, in accordance with article 169, paragraph 1 of Law No. 6404/76.

Consequently, article 4 of the Company's Bylaws needs to be amended to read as follows, and, by force of the 2-for-1 share split approved by the Extraordinary General Meeting held on March 24, 2008, shall only be effective until April 25, 2008:

"Article 4 - the share capital is R$ 78.966.690.660,00 (seventy eight billion, nine hundred and sixty six million, six hundred and ninety thousand and six hundred and sixty Reals), divided into 4.387.038.370 (four billion, three hundred and eighty seven million, thirty eight thousand and three hundred and seventy) shares with no par value, of which 2.536.673.672 (two billion, five hundred and thirty six million, six hundred and seventy three thousand and six hundred and seventy two) are common shares and 1.850.364.698 (one billion, eight hundred and fifty million, three hundred and sixty four thousand and six hundred and ninety eight) are preferred shares".

As from April 25, 2008, the date set for the share split to take place, the abovementioned article 4, will read as follows:

"Article 4 - the share capital is R$ 78.966.690.660,00 (seventy eight billion, nine hundred and sixty six million, six hundred and ninety thousand and six hundred and sixty Reals), divided into 8.774.076.740 (eight billion, seven hundred and seventy four million, seventy six thousand and seven hundred and forty) shares with no par value, of which 5.073.347.344 (five billion, seventy three million, three hundred and forty seven thousand and three hundred and forty four) are common shares and 3.700.729.396 (three billion, seven hundred million, seven hundred and twenty nine thousand and three hundred and ninety six) are preferred shares".

27.2 Credit facility agreement to finance exports

On April 04 and 11, 2008, Petrobras contracted a credit facility of R$ 400.000 thousand and R$ 1.600.000 thousand with the Banco do Brasil. The transaction was ensured by an Export Credit Note - NCE, the sole purpose of which is to increase Petrobras' exports of oil and derivatives and was negotiated with the following terms:

- Term: 1 year, with interest payable every 6 months and settlement of the principal at the end of the term;
- Interest rate: 102% of the CDI + Flat Fee of 0,06%, six-monthly, in advance;
- Clause providing for early repayment as from 180 days of the withdrawal with no penalties;
- Exemption of IOF tax on presentation of proof of the export operations; and
- Waiver of guarantees.

01.01 - IDENTIFICATION

1 - CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
00951-2	**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**	**33.000.167/0001-01**

06.01 - CONSOLIDATED BALANCE SHEET - ASSETS (THOUSANDS OF REAIS)

1 - Code	2 - Description	3 - 03/31/2008	4 - 12/31/2007
1	Total Assets	239.876.328	231.227.800
1.01	Current Assets	55.297.734	53.373.766
1.01.01	Cash and Cash Equivalents	11.559.610	13.070.849
1.01.01.01	Cash and Banks	1.714.885	2.329.575
1.01.01.02	Short Term Investments	9.844.725	10.741.274
1.01.02	Accounts Receivable, net	12.945.569	11.328.967
1.01.02.01	Customers	12.945.569	11.328.967
1.01.02.01.01	Customers	11.889.743	10.451.975
1.01.02.01.02	Credits with Affiliated Companies	340.518	314.927
1.01.02.01.03	Other Accounts Receivable	2.108.254	1.885.561
1.01.02.01.04	Allowance for Doubtful Accounts	(1.392.946)	(1.323.496)
1.01.02.02	Miscellaneous Credits	0	0
1.01.03	Inventories	19.395.378	17.599.001
1.01.04	Other	11.397.177	11.374.949
1.01.04.01	Dividends Receivable	51.236	80.596
1.01.04.02	Recoverable Taxes	8.168.892	7.781.536
1.01.04.03	Prepaid Expenses	1.522.448	1.429.829
1.01.04.04	Other Current Assets	1.386.495	1.493.200
1.01.04.05	Marketable Securities	268.106	589.788
1.02	Non-current Assets	184.578.594	177.854.034
1.02.01	Long-Term Assets	21.259.657	22.022.837
1.02.01.01	Credits	6.219.253	6.776.599
1.02.01.01.01	Petroleum and Alcohol Accounts	799.362	797.851
1.02.01.01.02	Marketable Securities	3.730.015	3.922.370
1.02.01.01.03	Investments in Privatization Process	3.228	3.228
1.02.01.01.04	Accounts Receivable, net	1.686.648	2.053.150
1.02.01.02	Credits with Affiliated Companies	842.849	848.752
1.02.01.02.01	With Affiliates	842.849	848.752
1.02.01.02.02	With Subsidiaries	0	0
1.02.01.02.03	Other Companies	0	0
1.02.01.03	Other	14.197.555	14.397.486
1.02.01.03.01	Projects Financings	0	0
1.02.01.03.02	Deferred Income Tax and Social Contribution	3.821.400	3.921.534
1.02.01.03.03	Deferred ICMS	708.626	990.878
1.02.01.03.04	Deferred PASEP/COFINS	3.432.286	3.145.403
1.02.01.03.05	Other Deferred Taxes	217.737	275.675
1.02.01.03.06	Judicial Deposits	1.728.373	1.693.495
1.02.01.03.07	Advance for Migration - Pension Plan	1.335.876	1.296.810
1.02.01.03.08	Advance to Suppliers	421.098	396.781
1.02.01.03.09	Prepaid Expenses	1.480.125	1.514.301
1.02.01.03.10	Compulsory Loans - ELETROBRAS	10	0
1.02.01.03.11	Inventories	235.995	236.753
1.02.01.03.12	Other Non-current Assets	816.029	925.856
1.02.02	Fixed Assets	163.318.937	155.831.197
1.02.02.01	Investments	7.840.916	7.822.074
1.02.02.01.01	In Affiliates	2.880.062	2.460.567
1.02.02.01.02	Goodwill in Affiliates	0	0
1.02.02.01.03	In Subsidiaries	861.645	851.062
1.02.02.01.04	Goodwill in Subsidiaries	2.276.841	1.686.038
1.02.02.01.05	Other Investments	751.224	747.259
1.02.02.01.06	Rights/Advances - Acquisition Investments	1.071.144	2.077.148
1.02.02.02	Property, Plant and Equipment	146.983.563	139.940.726
1.02.02.03	Intangible	5.737.547	5.532.053
1.02.02.04	Deferred Charges	2.756.911	2.536.344

01.01 - IDENTIFICATION

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00951-2	**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**	**33.000.167/0001-01**

06.02 - CONSOLIDATED BALANCE SHEET - LIABILITIES (THOUSANDS OF REAIS)

1 - Code	2 - DESCRIPTION	3 - 03/31/2008	4 - 12/31/2007
2	Liabilities and Stockholders' Equity	239.876.328	231.227.800
2.01	Current Liabilities	42.337.560	47.555.011
2.01.01	Loans and Financings	7.198.900	8.501.230
2.01.01.01	Financings	6.514.246	7.853.781
2.01.01.02	Interest on Financings	684.654	647.449
2.01.02	Debentures	0	0
2.01.03	Suppliers	14.608.806	13.791.198
2.01.04	Taxes, Contribution and Participation	10.207.202	10.006.272
2.01.05	Dividends Payable	2.091.002	6.580.557
2.01.05.01	Dividends and Interest on Stockholders' Capital	0	0
2.01.06	Accruals	3.187.368	3.634.869
2.01.06.01	Payroll and Related Charges	1.668.786	1.688.960
2.01.06.02	Provision for Contingencies	54.000	54.000
2.01.06.03	Pension Plan	424.936	424.259
2.01.06.04	Healthcare benefits plan	455.214	455.736
2.01.06.05	Profit sharing for employees and management	584.432	1.011.914
2.01.07	Debts with Subsidiaries and Affiliated Companies	0	0
2.01.08	Other	5.044.282	5.040.885
2.01.08.01	Advances from Customers	469.487	493.217
2.01.08.02	Projects Financings	147.250	41.470
2.01.08.03	Other Current Liabilities	4.427.545	4.506.198
2.02	Non-current Liabilities	70.462.769	63.512.565
2.02.01	Long-Term Liabilities	68.729.236	62.120.777
2.02.01.01	Loans and Financings	34.684.662	29.806.589
2.02.01.02	Debentures	0	0
2.02.01.03	Accruals	26.520.149	24.825.051
2.02.01.03.01	Healthcare Benefits Plan	9.557.596	9.272.183
2.02.01.03.02	Contingency Accrual	758.379	613.969
2.02.01.03.03	Provision for Pension plan	4.564.735	4.520.145
2.02.01.03.04	Deferred Income Tax and Social Contribution	11.573.104	10.352.712
2.02.01.03.05	Other Deferred Taxes	66.335	66.042
2.02.01.04	Subsidiaries and Affiliated Companies	95.197	94.664
2.02.01.05	Advance for Future Capital Increase	0	0
2.02.01.06	Others	7.429.228	7.394.473
2.02.01.06.01	Provision for Dismantling of Areas	6.203.279	6.132.359
2.02.01.06.02	Other Accounts and Expenses Payable	1.225.949	1.262.114
2.02.02	Deferred Income	1.733.533	1.391.788
2.03	Minority Interest	6.240.475	6.306.097
2.04	Shareholders' Equity	120.835.524	113.854.127
2.04.01	Capital	52.644.460	52.644.460
2.04.01.01	Subscribed and Paid-In Capital	52.644.460	52.644.460
2.04.01.02	Monetary Restatement of Capital	0	0
2.04.02	Capital Reserves	1.553.831	1.553.831
2.04.02.01	AFRMM subsidy	169.142	169.142
2.04.02.02	Fiscal Incentive - Income Tax	1.384.689	1.384.689
2.04.03	Revaluation Reserve	51.171	61.520
2.04.03.01	Own Assets	0	0
2.04.03.02	Subsidiaries and Affiliated Companies	51.171	61.520
2.04.04	Revenue Reserves	59.650.652	59.594.316
2.04.04.01	Legal	7.612.508	7.612.508
2.04.04.02	Statutory	504.544	504.544
2.04.04.03	For Contingencies	0	0
2.04.04.04	Unrealized Earnings	0	0
2.04.04.05	Retained Earnings	51.533.600	51.477.264
2.04.04.06	Undistributed Dividends	0	0
2.04.04.07	Others Revenue Reserves	0	0
2.04.05	Retained Earnings/(Accumulated losses)	6.935.410	0
2.04.06	Advance for Capital Increase	0	0
		0	0

01.01 - IDENTIFICATION

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00951-2	PETRÓLEO BRASILEIRO S.A. - PETROBRAS	33.000.167/0001-01

07.01 - CONSOLIDATED STATEMENT OF INCOME FOR THE QUARTER (THOUSANDS OF REAIS)

1 - Code	2 - DESCRIPTION	3 - 01/01/2008 a 31/03/2008	4 - 01/01/2008 a 31/03/2008	5 - 01/01/2007 a 31/03/2007	6 - 01/01/2007 a 31/03/2007
3.01	Gross Operating Revenues	59.157.531	59.157.531	50.127.197	50.127.197
3.02	Sales Deductions	(12.265.401)	(12.265.401)	(11.232.750)	(11.232.750)
3.03	Net Operating Revenues	46.892.130	46.892.130	38.894.447	38.894.447
3.04	Cost of Products and Services Sold	(29.639.424)	(29.639.424)	(23.691.984)	(23.691.984)
3.05	Gross profit	17.252.706	17.252.706	15.202.463	15.202.463
3.06	Operating Expenses	(6.296.256)	(6.296.256)	(7.654.506)	(7.654.506)
3.06.01	Selling	(1.591.617)	(1.591.617)	(1.414.921)	(1.414.921)
3.06.02	General and Administrative	(1.564.875)	(1.564.875)	(1.545.341)	(1.545.341)
3.06.02.01	Management and Board of Directors Remuneration	(8.525)	(8.525)	(8.247)	(8.247)
3.06.02.02	Administrative	(1.556.350)	(1.556.350)	(1.537.094)	(1.537.094)
3.06.03	Financial	(109.057)	(109.057)	(199.136)	(199.136)
3.06.03.01	Income	705.142	705.142	684.057	684.057
3.06.03.02	Expenses	(814.199)	(814.199)	(883.193)	(883.193)
3.06.04	Other Operating Income	0	0	0	0
3.06.05	Other Operating Expenses	(3.042.633)	(3.042.633)	(4.410.978)	(4.410.978)
3.06.05.01	Taxes	(149.128)	(149.128)	(298.764)	(298.764)
3.06.05.02	Cost of Research and Technological Development	(416.852)	(416.852)	(382.477)	(382.477)
3.06.05.03	Impairment	0	0	0	0
3.06.05.04	Exploratory Costs for The Extraction of Crude Oil and Gas	(685.437)	(685.437)	(655.278)	(655.278)
3.06.05.05	Healthcare and Pension Plan	(356.073)	(356.073)	(452.645)	(452.645)
3.06.05.06	Net Monetary and Exchanges Variation	(290.505)	(290.505)	(736.143)	(736.143)
3.06.05.07	Other Operating Expenses, Net	(1.144.638)	(1.144.638)	(1.885.671)	(1.885.671)
3.06.06	Equity Pick-up	11.926	11.926	84.130	84.130

01.01 - IDENTIFICATION

1 - CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
00951-2	**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**	**33.000.167/0001-01**

07.01 - CONSOLIDATED STATEMENT OF INCOME FOR THE QUARTER (THOUSANDS OF REAIS)

1 - Code	2 - DESCRIPTION	3 - 07/01/2007 to 09/30/2007	4 - 01/01/2007 to 09/30/2007	5 - 07/01/2006 to 09/30/2006	6 - 01/01/2006 to 09/30/2006
3.07	Operating Income	10.956.450	10.956.450	7.547.957	7.547.957
3.08	Non-operating Income (Expenses)	(12.777)	(12.777)	26.819	26.819
3.08.01	Income	0	0	16.200	16.200
3.08.02	Expenses	(12.777)	(12.777)	10.619	10.619
3.09	Income before Taxes/Employee profit sharing	10.943.673	10.943.673	7.574.776	7.574.776
3.10	Income Tax and Social Contribution	(3.233.499)	(3.233.499)	(2.862.049)	(2.862.049)
3.11	Deferred Income Tax	(737.177)	(737.177)	(105.886)	(105.886)
3.12	Profit Sharing/ Statutory Contribution	0	0	0	0
3.12.01	Participations	0	0	0	0
3.12.02	Contributions	0	0	0	0
3.13	Reversal of Interest on Stockholders' capital	0	0	0	0
3.14	Minority Interest	(47.935)	(47.935)	(476.122)	(476.122)
3.15	Net Income/loss for the period	6.925.062	6.925.062	4.130.719	4.130.719
	Number of Shares. Ex-Treasury (Thousands)	4.387.038	4.387.038	4.387.038	4.387.038
	Net income per Share (Reais)	1,57853	1,57853	0,94157	0,94157
	Loss per Share (Reais)				

THE REGISTRATION WITH THE CVM DOES NOT IMPLY THAT ANY OPINION IS EXPRESSED ON THE COMPANY. THE INFORMATION PROVIDED IS THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT

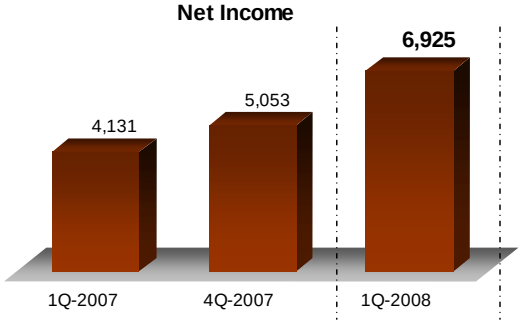
1 – CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
00951-2	PETRÓLEO BRASILEIRO S.A. – PETROBRAS	33.000.167/0001-01

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Consolidated net income in the 1Q-2008 moved up 68% year-on-year, thanks to the decline in operating expenses and the positive first-quarter impact of the reduced appreciation of the Real on the financial result. The increase in oil and gas production and the upturn in oil and oil product prices also contributed to the improved performance.

In comparison with the 4Q-2007, consolidated net income moved up by 37%, for the same reasons mentioned above, with a greater weight towards the reduction in operating expenses and a lesser emphasis on the price aspect.

The Company's market capitalization increased by 69% year-on-year, mostly due to the oil and gas discoveries in the pre-salt layer, the new exploratory frontier, and potential production growth.



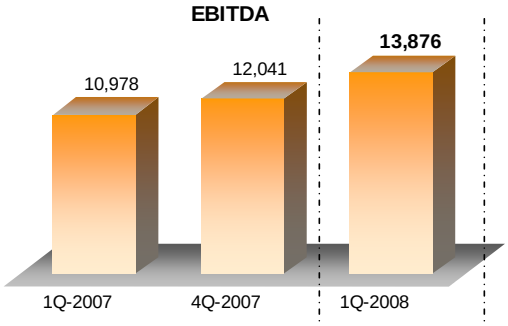
EBITDA climbed 26% year-on-year, largely due to reduced expenses, especially those related to taxes and the pension plan. In comparison with the 4Q-2007, EBITDA moved up 15%, largely thanks to lower exploration costs (dry wells), reduced general and administrative expenses and the non-occurrence of tax losses and losses from the recovery of assets.

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

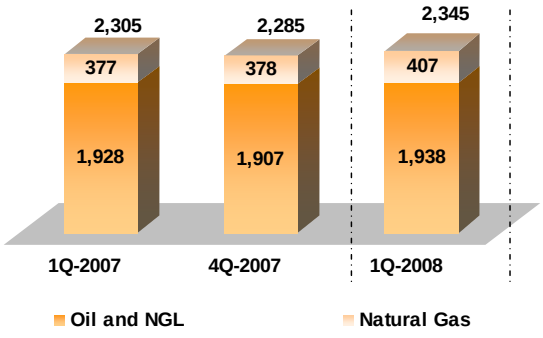
The strong operating result and high cash flow in the 1Q-2008 allowed for substantial period investments as well as the payment of R$ 4.07 billion in interest on equity.



Average oil and gas production edged up 2% year-on-year due to the start-up of the FPSO-Cidade do Rio de Janeiro (Espadarte), Piranema (Piranema), Cidade de Vitória (Golfinho), P-52 (Roncador) and P-54 (Roncador) platforms. It is especially worth highlighting domestic natural gas output, which increased by 11% year-on-year and 10% quarter-over-quarter.

Due to delays associated with the availability of offshore support vessels in the 1Q-2008, oil production was not as high as originally expected and output from the P-52 and P-54 platforms will only reach maximum level in the second half of the year. In addition, difficulties related to maintaining pressure in the Golfinho reservoir hampered production from this field.

Total Production (Th. Barrels/day)

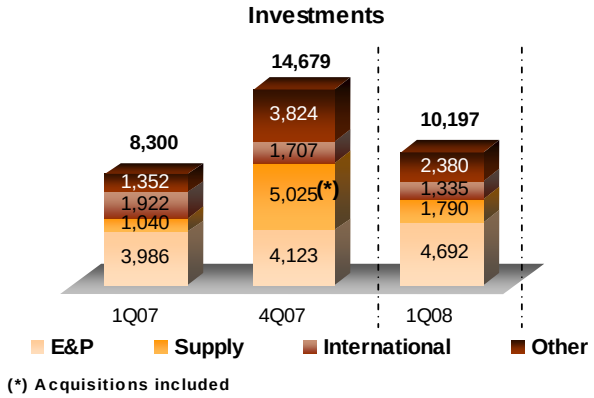


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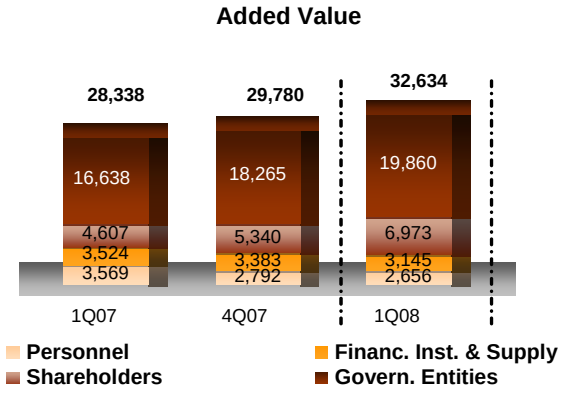
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00951-2	PETRÓLEO BRASILEIRO S.A. – PETROBRAS	33.000.167/0001-01

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

The Petrobras System's investments in the 1Q-2008 moved up 23% year-on-year but fell 31% over the previous quarter.



The Petrobras System's added value was 15% higher than in the 1Q-2007 and 10% more than in the 4Q-2007.



Net Income and Consolidated Economic Indicators

Petrobras posted a consolidated net income of R$ 6,925 million in 2007, 68% higher than in the 1Q-2007.

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

R$ million

4Q - 2007		First Quarter 2008	First Quarter 2007	Δ%
57,922	**Gross Operating Revenues**	**59,158**	**50,127**	18
45,417	**Net Operating Revenues**	**46,892**	**38,894**	21
9,199	**Operating Profit** (1)	**11,344**	**8,567**	32
(859)	**Financial Result**	**(400)**	**(935)**	(57)
5,053	**Net Income**	**6,925**	**4,131**	68
1.15	**Net Income per Share**	**1.58**	**0.94**	68
429,923	**Market Value (Parent Company)**	**364,372**	**215,666**	69
36	**Gross Margin (%)**	**37**	**39**	(2)
18	**Operating Margin (%)**	**23**	**19**	4
11	**Net Margin (%)**	**15**	**11**	4
12,041	**EBITDA – R$ million**(2)	**13,876**	**10,978**	26
	Financial and Economic Indicators			
88.69	**Brent (US$/bbl)**	**96.90**	**57.75**	68
1.7830	**US Dollar Average Price - Sale (R$)**	**1.7388**	**2.1082**	(18)
1.7713	**US Dollar Last Price - Sale (R$)**	**1.7491**	**2.0504**	(15)

(1) Operating income before financial result, equity balance and taxes.
(2) Operating income before financial result, equity balance and depreciation/amortization.

4Q-2007		First Quarter 2008	First Quarter 2007	Δ%
8,049	Operating Income as per Brazilian Corporate Law	**10,956**	**7,548**	45
859	(-) Financial Result	400	935	(57)
291	(-) Equity Income Result	(12)	84	(114)
9,199	**Operating Profit**	**11,344**	**8,567**	32
2,842	Depreciation / Amortization	2,532	2,411	5
12,041	**EBITDA**	**13,876**	**10,978**	26
27	**EBITDA Margin (%)**	**30**	**28**	7

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

The behavior of the main components of consolidated net income, in relation to the 1Q-2007, was as follows:

- **A R$ 2,051 million increase in gross profit:**

		R$ million Changes 1Q-2008 X 1Q-2007		
Main Items		**Net Revenues**	**Cost of Goods Sold**	**Gross Profit**
. Domestic Market:	- Effect of Volumes Sold	1,822	(1,249)	573
	- Effect of Prices	2,967	336	2,967
. Intl. Market:	- Effect of Export Volumes	(532)	242	(290)
	- Effect of Export Price	2,142	-	2,142
. Increase in expenses: (*)		-	(4,246)	(4,246)
. Increase in Profitability of Distribution Segment		(1)	128	127
. Increase in operations of commercialization abroad		2,093	(1,673)	420
. Increase in international sales		486	(310)	176
. FX effect on controlled companies abroad		(761)	648	(113)
. Other		(218)	513	295
		7,998	(5,947)	2,051

(*) Expenses Composition:	Value
- import of gas, crude oil and oil products and gas (1)	(2,415)
- domestic government take	(837)
- non-oil products, including alcohol, biodiesel and other	(117)
- materials, services and depreciation	(702)
- transportation: maritime and pipelines (2)	(125)
- salaries, perquisites and benefits	(42)
- third-party services	(8)
	(4,246)

(1) CIF Values.
(2) Expenditures on cabotage, terminals and pipelines.

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1 – CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

A R$ 726 million reduction in operating expenses, notably:

- ✓ Tax expenses (R$ 150 million), due to the elimination of the CPMF financial transaction tax as of January/08.

- ✓ Other operating expenses (R$ 741 million), especially from the amendments to the Petros Plan in the 1Q-2007 (R$ 1,040 million), partially offset by higher expenses with contractual fines related to natural gas and electricity supply (R$ 253 million);

These effects were offset by the increase in selling expenses (R$ 177 million), due to higher freight expenses caused by the upturn in sales volume and the increase in average distribution and offshore freight costs (R$ 40 million and R$ 39 million, respectively) plus the increase in provisions for doubtful debts.

- **A positive impact of R$ 535 million on the net financial result, due to the impact of the lower appreciation of the Real in 2008 on subsidiaries' investments abroad and, in the International segment, on the purchase of E&P equipment for use in Brazil, and commercial activities.**

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Net income in the 1Q-2008 totaled R$ 6,925 million, 37% up on the R$ 5,053 million posted in the 4Q-2007 due to the factors listed below:

- **R$ 790 million growth in gross profit:**

		R$ million Change 1Q-2008 x 4Q-2007		
Main Items		**Net Revenues**	**Cost of Goods Sold**	**Gross Prof**
. Domestic Market:	- Effect of Volumes Sold	(1,168)	862	(306)
	- Effect of Prices	1,345	-	1,345
. Intl. Market:	- Effect of Export Volumes	(1,177)	1,021	156
	- Effect of Export Price	172	-	172
. Increase in expenses: (*)		-	(789)	(789)
. Increase in Profitability of Distribution Segment		(78)	(175)	(253)
. Increase in operations of commercialization abroad		1,021	(872)	149
. Increase in international sales		(1,216)	1,213	(3)
. FX effect on controlled companies abroad		1,103	(1,014)	89
. Other		1,473	(931)	542
		1,475	(685)	790

(*) Expenses Composition:	Value
- domestic government take	(109)
- import of gas, crude oil and oil products (1)	(74)
- non-oil products, including alcohol, biodiesel and other	12
- materials, services and depreciation	(597)
- transportation: maritime and pipelines (2)	(146)
- third-party services	21
- salaries, perquisites and benefits	104
	(789)

(1) CIF values.
(2) Expenditures on cabotage, terminals and pipelines.

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

- **A reduction in the following operating expenses:**

  - ✓ General and administrative expenses (R$ 265 million), due to reduced expenses from technical services and higher personnel expenses in the 4Q-2007 as a result of payments related to retroactive promotions as part of the 2007/08 collective bargaining agreement;

  - ✓ Exploration costs (R$ 385 million), due to lower exploration expenses, both in Brazil (R$ 129 million) and abroad (R$ 461 million), offset by the December/07 recalculation of provisions for well abandonment (R$ 292 million);

  - ✓ Losses from the recovery of assets (R$ 446 million), due to the provisions constituted abroad in the 4Q-2007;

  - ✓ Tax expenses (R$ 156 million), due to the elimination of the CPMF as of January/08 (R$ 179 million), partially offset by expenses from the IOF financial operation tax due to the increase in the rate in the same month (R$ 34 million).

- **A positive impact of R$ 459 million on the net financial result due to monetary and exchange gains (R$ 454 million) caused by the lower appreciation of the Real in the 1Q-2008, coupled with a reduction in net financial and commercial hedge losses (R$ 287 million) and higher gains from financial investments (R$ 28 million);**

- **Interests in relevant investments (R$ 303 million), due to the constitution of provisions for losses from investments in Venezuela in the 4Q-2007 (R$ 119 million) and exchange gains from the conversion of foreign subsidiaries' shareholders equity (R$ 128 million).**

- **Increase in income tax and social contributions (R$ 1.613 million), due to the tax benefits of interest on equity in the 4Q-2007 (R$ 671 million).**

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Physical Indicators (*)

4Q-2007		First Quarter 2008	First Quarter 2007	Δ%
	Exploration & Production - Thousand bpd/day			
	Domestic Production			
1,782	Oil and LNG	1,816	1,800	1
277	Natural Gas (1)	304	274	11
2,059	**Total**	**2,120**	**2,074**	2
	Consolidated - International Production			
111	Oil and LNG	108	111	(3)
101	Natural Gas (1)	103	103	-
212	**Total**	**211**	**214**	(1)
14	**Non Consolidated - Internacional Production (2)**	**14**	**17**	(18)
226	**Total International Production**	**225**	**231**	(3)
2,285	**Total production**	**2,345**	**2,305**	2

(1) Does not include liquified gas and includes re-injected gas
(2) Non consolidated companies in Venezuela.

	Refining, Transport and Supply - Thousand bpd			
400	**Crude oil imports**	351	340	3
136	**Oil products imports**	228	97	135
536	**Import of crude oil and oil products**	579	437	32
322	**Crude oil exports**	314	377	(17)
253	**Oil products exports**	258	247	5
575	**Export of crude oil and oil products** (3)	572	624	(8)
39	**Net exports (imports) crude oil and oil products**	**(7)**	**187**	**(104)**
199	**Import of gas and others**	194	146	33
2 (3)	**Other exports**	2 (3)	1	100
2,033	**Output of oil products**	**1,892**	**2,041**	(7)
1,795	**• Brazil**	1,776	1,781	-
238	**• International**	116	260	(55)
2,167	**Primary Processed Installed Capacity**	**2,167**	**2,227**	(3)
1,986	**• Brazil(4)**	1,986	1,986	-
181	**• International**	181	241	(25)
	Use of Installed Capacity (%)			
90	**• Brazil**	89	90	1
93	**• International**	60	85	(25)
78	**Domestic crude as % of total feedstock processed**	79	77	2

(3) Volumes of oil and oil products exports include ongoing exports
(4) As per ownership recognized by the ANP

	Sales Volume - Thousand bpd			
1,776	**Total Oil Products**	**1,703**	**1,646**	3
81	Alcohol, Nitrogens, Biodiesel and others	76	53	43
272	Natural Gas	302	226	34
2,129	**Total domestic market**	**2,081**	**1,925**	8
577	**Exports**	**574**	**625**	(8)
480	**International Sales**	**557**	**655**	(15)
1,057	**Total international market**	**1,131**	**1,280**	(12)
3,186	**Total**	**3,212**	**3,205**	-

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Prices and Costs Indicators (*)

4Q-2007		First Quarter 2008	First Quarter 2007	Δ%
	Average Oil Products Realization Prices			
158.98	**Domestic Market (R$/bbl)**	163.07	150.97	8
	Average sales price - US$ per bbl			
	Brazil			
76.75	**Crude Oil (US$/bbl)** (5)	86.13	47.79	80
34.67	**Natural Gas (US$/bbl)** (6)	37.16	32.71	14
	International			
59.42	**Crude Oil (US$/bbl)**	62.23	42.41	47
17.45	**Natural Gas (US$/bbl)**	16.98	14.48	17
	Costs - US$/barrel			
	Lifting cost:			
	• Brazil			
8.60	**•• without government participation**	8.66	7.20	20
23.16	**•• with government participation**	24.82	16.24	53
4.41	**• International**	4.32	3.89	11
	Refining cost			
3.60	**• Brazil**	3.61	2.54	42
3.04	**• International**	6.16	2.42	155
794	**Corporate Overhead (US$ million) Holding Company** (7)	648	531	22
	Costs - R$/barrel			
	Lifting cost			
	• Brazil			
15.22	**•• without government participation**	15.16	15.20	-
40.98	**•• with government participation**	43.20	34.12	27
	Refining cost			
6.36	**• Brazil**	6.30	5.36	18

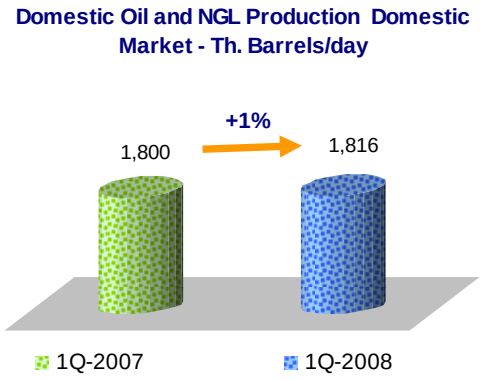
(5) Average of the exports and the internal transfer prices from E&P to Supply.

(6) Internal transfer prices from E&P to Gas & Energy.

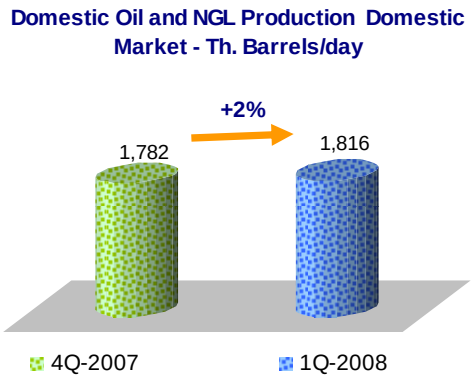
(7) The company, in order to achieve higher indicators aderence to it managerial and operational models, revised the definitions of these indicators, recalculating previous period, as already informed at the 12.31.2007 Report.

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Exploration and Production - thousand barrels/day



The operational start-up of the FPSO-Cidade do Rio de Janeiro (Espadarte), Piranema (Piranema), Cidade de Vitória (Golfinho), P-52 and P-54 (Roncador) platforms offset the natural decline in production.



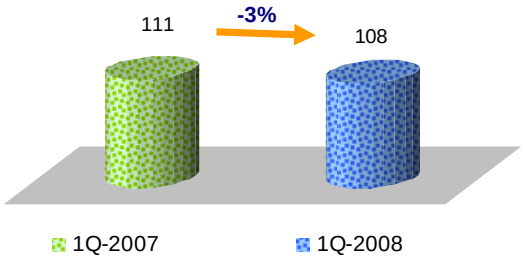
Output moved up over the 4Q-2007, due to the start-up of FPSO Cidade de Vitória (Golfinho), P-52 and P-54 (both in Roncador), more than offsetting the natural slide in output.

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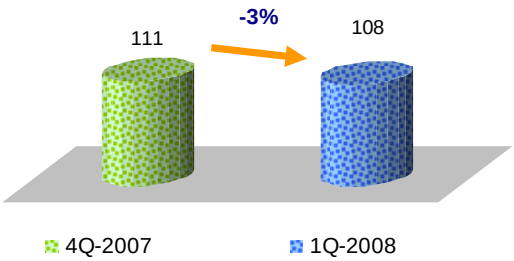
08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Oil and NGL Production International Market - Th. Barrels/day



Consolidated oil production fell year-on-year due to the natural decline in the mature fields in Argentina. Gas output remained virtually flat over the 1Q-2007.

Oil and NGL Production International Market - Th. Barrels/day

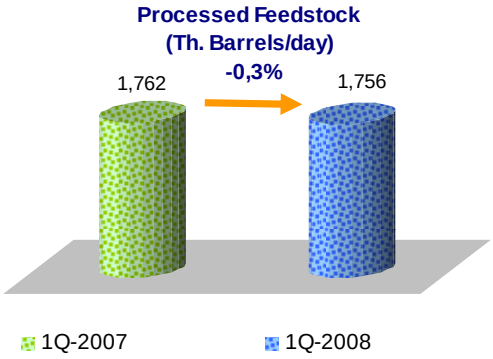


The consolidated reduction in oil production over the previous quarter was also due to the natural decline in the mature fields in Argentina. Consolidated gas production moved up 2%, given the oil workers' strike that jeopardized output from the Santa Cruz I e II wells in Argentina in the 4Q-2007.

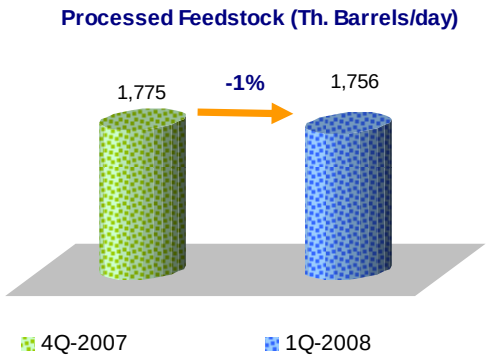
1 – CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
00951-2	PETRÓLEO BRASILEIRO S.A. – PETROBRAS	33.000.167/0001-01

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Refining, Transportation and Supply – thousand barrels/day



Domestic processed crude volume dipped by 0.3% over the 1Q-2007 due to the March /08 programmed maintenance stoppage of Replan's U-200A, one of Petrobras' biggest atmospheric distillation units. Its last scheduled maintenance shut-down was in 2003.



Domestic processed crude edged down by 1% over the 4Q-2007, also due to the programmed maintenance stoppage of Replan's distillation unit in March/08.

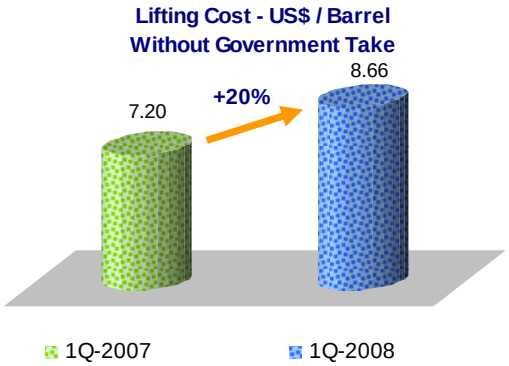
Processed crude in the overseas refineries fell 36% year-on-year in the 1Q-2008 due to the sale of the Bolivian refineries in June/07 and the stoppages in the Argentinean and US refineries in the 1Q-2008.

In relation to the previous quarter, total processed throughput in the overseas refineries dropped by 26%, thanks to the 1Q-2008 scheduled stoppages in the USA and Argentina.

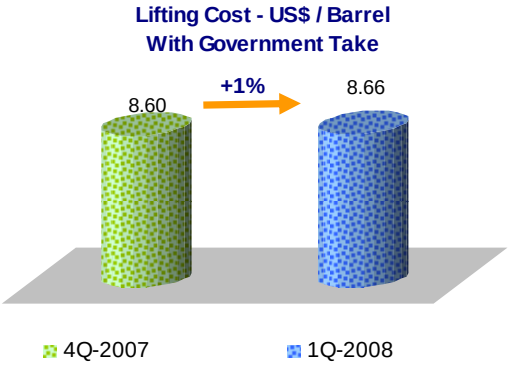
08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Costs

Lifting Cost (US$/barrel)



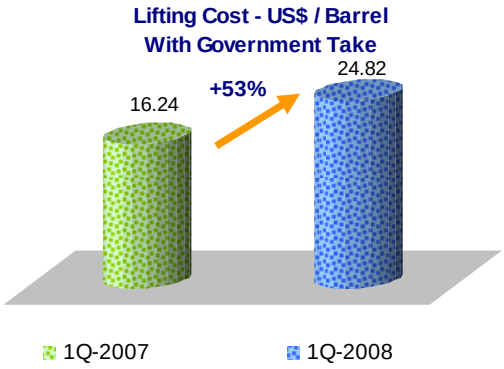
Excluding the impact of the appreciation of the Real, the annual unit lifting cost in Brazil climbed by 8% year-on-year, due to the wage increase, the expansion of the workforce and the higher initial unit cost of the new production systems, which will gradually come down as production moves up.



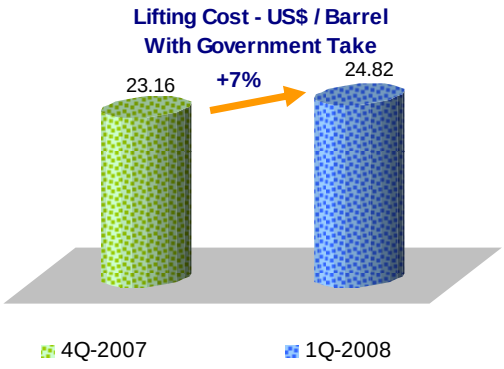
Also excluding the impact of the appreciation of the Real, the unit lifting cost inched down by 1% over the 4Q-2007 due to the wage hike in the latter quarter, partially offset by higher expenditure in the 1Q-2008 on corrective and preventive maintenance and the programmed stoppages of the P-20 and PPM-1 platforms.

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER



The year-on-year upturn in the first-quarter lifting cost was due to higher extraction costs, the impact of the increase in international oil prices on government participations, and the operational start-up of the P-34, FPSO-Cidade do Rio de Janeiro, FPSO-Cidade de Vitória, P-52 and P-54 platforms.

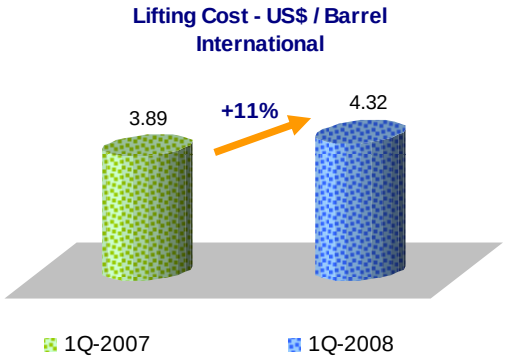


The increase over the 4Q-2007 was due to the upturn in the average Brazilian oil price used to calculate the government participations, based on the international price.

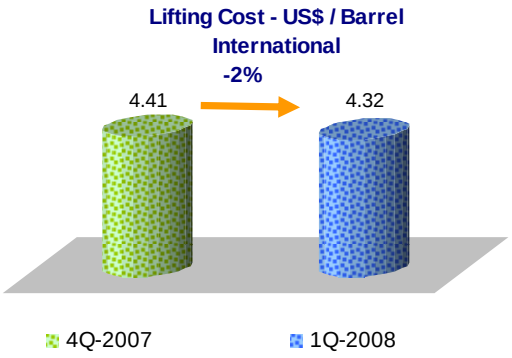
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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER



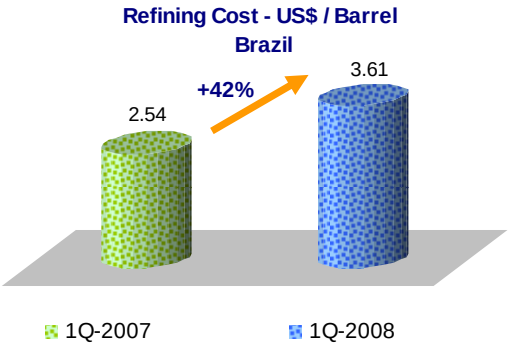
The year-on-year increase in the international lifting cost was caused by the higher price of outsourced services and materials in Argentina.



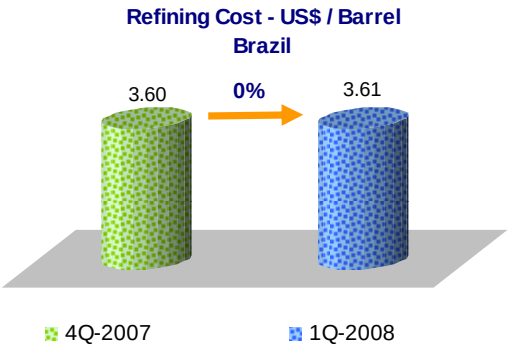
In comparison with the 4Q-2007, the unit lifting cost recorded a decline due to the reduction in expenses from outsourced services and materials in Argentina caused by the lower number of well repairs in the first quarter.

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Refining Costs (US$/barrel)



Excluding the impact of the appreciation of the Real, the domestic unit refining cost moved up 21% year-on-year due to increased operating expenses, reflecting the wage increase, the expansion of the workforce, the electricity tariff hike and the heightened complexity of the refineries as they adapt to environmental and market demands for higher quality products.

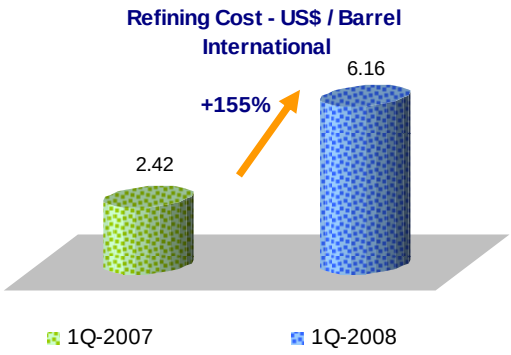


Also excluding the impact of the appreciation of the Real, the domestic unit refining cost fell 2% over the 4Q-2007 due to reduced expenses from outsourced maintenance services.

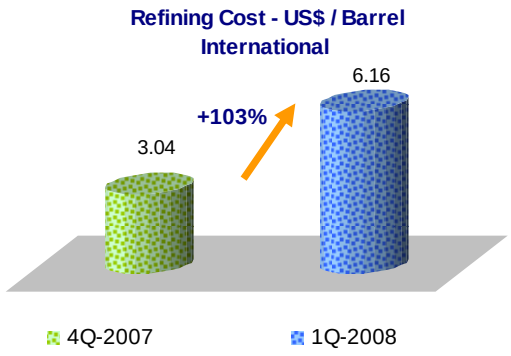
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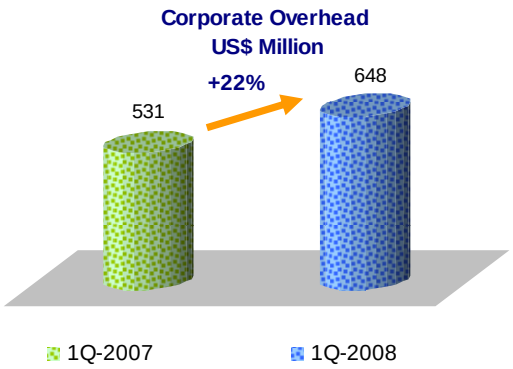
The average international unit refining cost moved up due to higher costs in the USA caused by the programmed stoppage in the Pasadena refinery, associated with the first-quarter slide in processed crude.



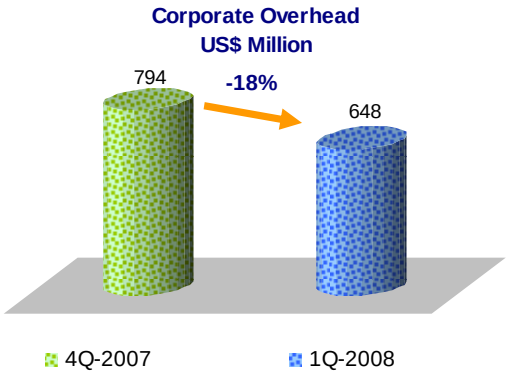
The average international unit refining cost recorded an upturn over the 4Q-2007 due to scheduled stoppages in the USA and Argentina and the lower volume of processed crude in the first quarter.

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Corporate Overhead – Parent Company (US$ million)



The 22% year-on-year increase in corporate overhead was due to the increasing complexity of the Company's operations. If we exclude the impact of the 18% appreciation of the Real, overhead moved up 4% due to higher expenses from data processing services, specialized technical and administrative-support services, advertising and unsubsidized sponsorships.



The 18% reduction over the 4Q-2007 was chiefly due to the actuarial review of the retirement plan and the healthcare provisions in January/08, and the higher concentration of expenses related to sports and arts sponsorships in the 4Q-2007, including those associated with the Rouanet Law and donations to the FIA (Children and Teenagers' Fund).

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Sales Volume – thousand barrels/day

Domestic sales volume moved up 8.10% over the 1Q-2007, led by diesel, aviation fuel and natural gas. The diesel increase was due to the improved performance of the economy and the increased use of emergency diesel-driven thermal plants, while aviation fuel sales were pushed by the expansion of tourism, leveraged by economic growth and the appreciation of the Real against the dollar. Gas sales increased by 33.62% due to higher industrial consumption as gas replaced fuel oil.

International volume fell 14.96% year-on-year due to lower trading company sales in the USA, the sale of the Bolivian refineries, and the reduction in oil and gas sales volume in Bolivia and to third parties in Argentina, caused by the natural decline in output from the mature fields, and in Ecuador, due to the lack of production and sales in March/08.

Export volume fell due to the shrinkage of the US market triggered by the economic crisis.

Domestic sales volume recorded a 2.25% slide over the 4Q-2007 due to the seasonal slowdown in diesel consumption, given the more intense agricultural activity in the final quarter of the year.

Result by Business Area R$ million [1] [3]

4Q-2007		First Quarter 2008	First Quarter 2007	Δ%
8,072	EXPLORATION & PRODUCTION	9,430	5,083	86
301	SUPPLY	(566)	2,126	(127)
(486)	GAS AND ENERGY	(396)	(316)	25
105	DISTRIBUTION	313	189	66
(940)	INTERNATIONAL [2]	50	(261)	(119)
(1,363)	CORPORATE	(1,443)	(2,580)	(44)
(636)	ELIMINATIONS AND ADJUSTMENTS	(463)	(110)	321
5,053	CONSOLIDATED NET INCOME	6,925	4,131	68

[1] Comments on the results by business area begin on page 18 and their respective financial statements on page 28.

[2] In the international business segment, given that all operations are executed abroad, comparisons between the periods are influenced by foreign exchange variations in dollars or in the currency of those countries in which the companies in question are headquartered. As a result, there may be substantial variations in Reais, primarily arising from and reflecting changes in the exchange rate..

[3] Expenses from the creation of new jobs by Petrobras are now allocated in accordance with each employee's area of activity and are no longer allocated in their entirety to corporate administrative expenses. In order to facilitate comparisons between the periods, we have adapted the previous financial statements to the new criteria.

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

RESULTS BY BUSINESS AREA

Petrobras is a company that operates in an integrated manner, with the greater part of oil and gas production in the Exploration and Production area being sold or transferred to other Company areas.

The main criteria used to report results per business area are as follows:

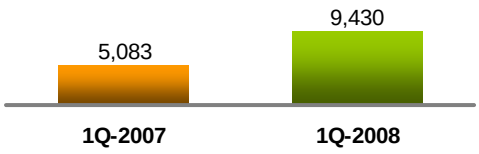
a) Net operating revenues: revenues from sales to external clients, plus intra-Company sales and transfers, using internal transfer prices established between the various areas as a benchmark, with assessment methodologies based on market parameters;

b) Operating income: net operating revenues, plus the cost of goods and services sold, which are reported per business area considering the internal transfer price and other operating costs for each area, plus the operating expenses effectively incurred by each area;

c) The entire financial result is allocated to the corporate group;

d) Assets: refers to the assets as identified by each area. Equity accounts of a financial nature are allocated to the corporate group.

Segment Result
Exploration and Production
(R$ million)



Annual net income from Exploration and Production increased by 86% over the 1Q-2008 due to the increase in average domestic oil prices and the 1% upturn in daily oil and NGL production

Part of these effects were offset by higher expenses from government participations and the write-off of economically unviable wells.

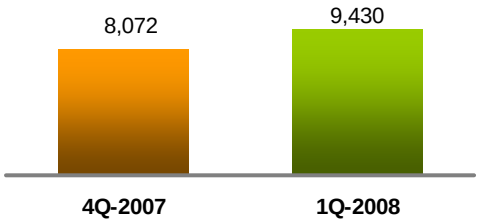
The spread between the average domestic oil sale/transfer price and the average Brent price widened from US$ 9.96/bbl in the 1Q-2007 to US$ 10.77/bbl in the 1Q-2008

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

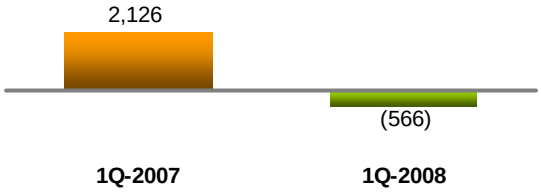
Segment Result
Exploration and Production
(R$ million)



In comparison with the 4Q-2007, net income moved up 17% due to higher average domestic oil prices and the 2% increase in daily oil and NGL production, partially offset by higher prospecting expenses.

The spread between the average domestic oil sale/transfer price and the average Brent price fell from US$ 11.94/bbl in the 4Q-2007 to US$ 10.77/bbl in the 1Q-2008.

Segment Result
Supply
(R$ million)

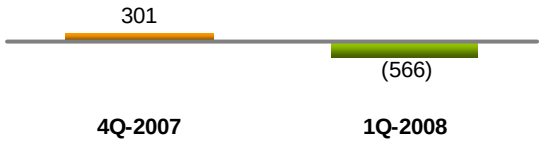


The reduction in the Supply result in the 1Q-2008 was due to the higher oil sale/transfer costs and the increase in oil product import costs, reflecting the behavior of international prices.

These effects were partially offset by the upturn in oil product prices in Brazil and abroad and the higher ratio of Brazilian crude in total processed crude.

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

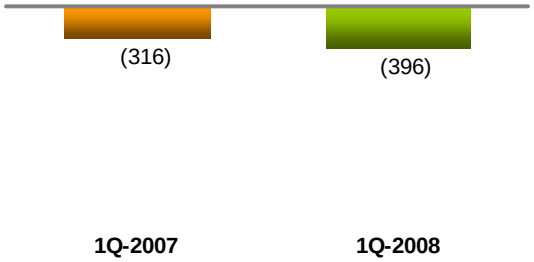
Segment Result
Supply
(R$ million)



The reduction over the 4Q-2007 was chiefly due to the increase in international oil prices and the seasonal reduction in sales volume.

These effects were partially offset by higher average oil product sale prices, and the sale, in the 1Q-2008, of inventories acquired at a lower cost in the previous quarter.

Segment Result
Gas and Energy
(R$ million)



The first-quarter Gas and Energy result was jeopardized by R$ 253 million in contractual charges related to natural gas supply and tighter margins in the electricity business.

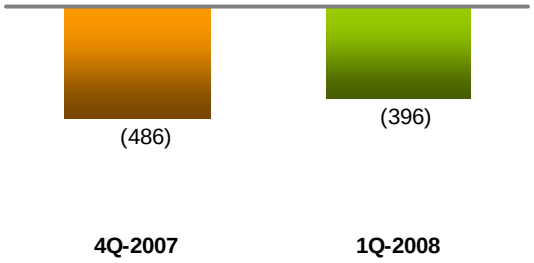
These effects were partially offset by the upturn in electricity and gas sales volume and higher average gas prices.

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

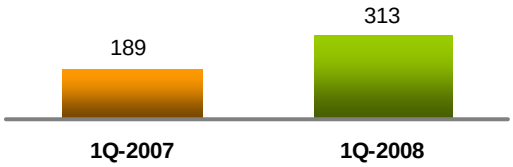
Segment Result
Gas and Energy
(R$ million)



In comparison with the 4Q-2007, the 1Q-2008 result benefited from higher gas and electricity sales margins and the reduction in SG&A expenses.

These effects were partially offset by the increase in fines and contractual charges related to gas supply.

Segment Result
Distribution
(R$ million)



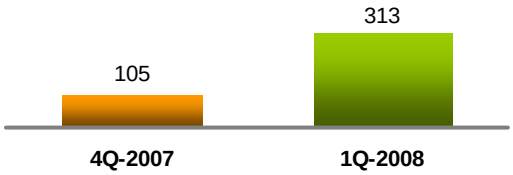
Net income from Distribution jumped by 66% year-on-year in the 1Q-2008, primarily due to the reduction in tax expenses due to the elimination of the CPMF and the ongoing efforts to reduce SG&A expenses, which only moved up by 6%, versus the 15% increase in sales volume.

The segment recorded a 35.9% share of the national fuel distribution market, versus 33.6% in the 1Q-2007.

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Segment Result
Distribution
(R$ million)

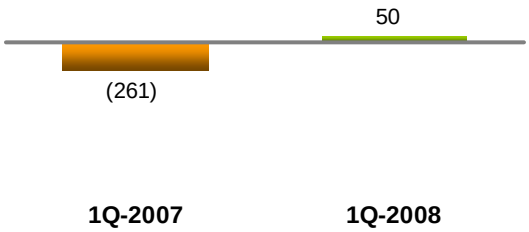


Net income jumped by 198% over the previous quarter due to the recognition, in the 4Q-2007, of higher operating expenses, chiefly due to a review of the amounts involved in judicial proceedings, and the impact of the new jobs and salaries plan following the collective bargaining agreement.

These effects were partially offset by the seasonal reduction in sales volume.

The segment recorded a 35.9% share of the national fuel distribution market, versus 34.6% in the 4Q-2007.

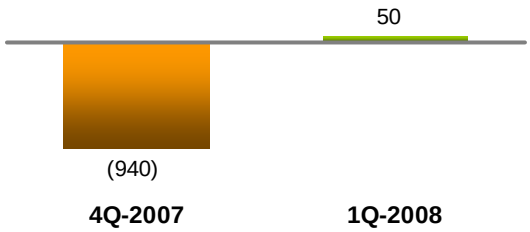
Segment Result
International
(R$ million)



The improvement in the International result in the 1Q-2008 was due to a R$ 67 million increase in gross profit, due to higher prices and the R$ 292 million reduction in prospection and drilling costs in Turkey, Angola, the USA, Libya and Venezuela.

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Segment Result
International
(R$ million)



The quarter-over-quarter improvement was chiefly due to the R$ 538 million reduction in prospection and drilling costs, in turn mainly the result of lower write-offs of dry wells in the USA and Colombia, and R$ 401 million in impairment costs in Ecuador, the USA and Angola in the 4Q-2007

Segment Result
Corporate
(R$ million)



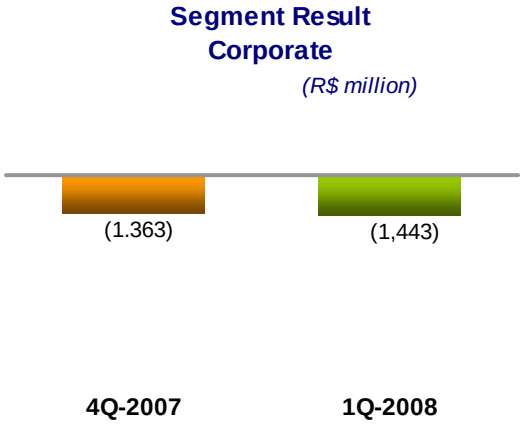
The higher Corporate result in comparison with the 1Q-2007 was due to:

- The R$ 535 million reduction in net financial expenses, as detailed on page 7;
- The R$ 632 million reduction in expenses from the amendments to the Petros Plan regulations;
- The R$ 74 million reduction in tax expenses due to the extinction of the CPMF:

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER



The quarter-over-quarter variation was due to the reduction in income tax and social contribution expenses, thanks to the provisioning of interest on equity in the 4Q-2007, which generated a fiscal benefit of R$ 671 million.

This was partially offset by the R$ 459 million reduction in net financial expenses, as detailed on page 9.

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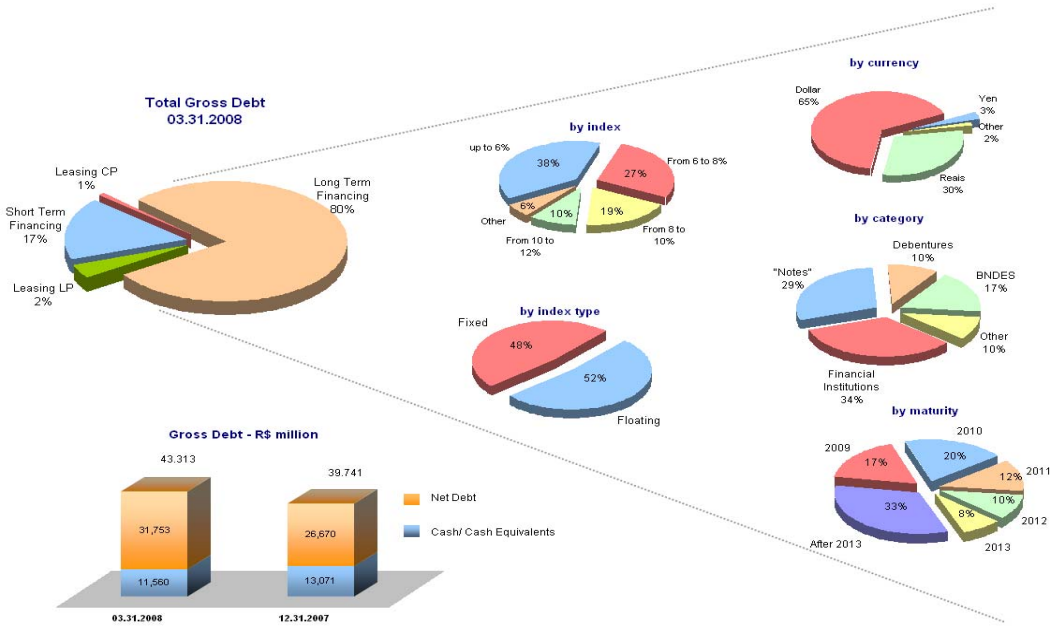
Consolidated Debt

	R$ million		
	03.31.2008	12.31.2007	Δ%
Short-term Debt (1)	7,639	8,960	(15)
Long-term Debt (1)	35,674	30,781	16
Total	43,313	39,741	9
Cash / Cash Equivalents	11,560	13,071	(12)
Net Debt (2)	31,753	26,670	19
Net Debt/(Net Debt + Shareholder's Equity) (1)	21%	19%	2
Total Net Liabilities (1) (3)	229,746	219,590	5
Capital Structure (Third Parties Net / Total Liabilities Net)	47%	48%	(1)

(1) Includes debt from leasing contracts (R$ 1,429 million on March 31, 2008 and R$ 1,433 million on December 31, 2007).
(2) Total debt less cash and cash equivalents.
(3) Total liabilities net of cash/financial investments.

The net debt of the Petrobras System on March 31, 2008, was 19% higher than the amount recorded on December 31, 2007, due to the increase in financings, particularly from credit lines taken out to boost ethanol exports, and the raising of PifCo funds through sa Globall Note issue, as well as a reduction in cash and cash equivalents due to the payment of interest on equity.

The level of indebtedness, measured by the net debt/EBITDA ratio, increased from 0.53, on December 31, 2007, to 0.57 on March 31, 2008. The portion of the capital structure represented by third parties was 47%, 1 percentage point up on December 31, 2007.



08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Consolidated Investments

In compliance with the goals outlined in its strategic plan, Petrobras continues to prioritize investments in the expansion of its oil and natural gas production capacity by investing its own funds and by structuring ventures with strategic partners. On March 31, 2008, total investments amounted to R$ 10,197 million, 23% up on the total on December 31, 2007.

R$ million

	First Quarter				
	2008	%	2007	%	Δ %
• Own Investments	**8,430**	**83**	**7,385**	**88**	**14**
Exploration & Production	4,692	46	3,986	48	18
Supply	1,790	18	1,040	12	72
Gas and Energy	359	3	197	2	82
International	1,335	13	1,922	23	(31)
Distribution	95	1	107	1	(11)
Corporate	159	2	133	2	20
• Special Purpose Companies (SPCs)	**1,448**	**14**	**861**	**11**	**68**
• Ventures under Negotiation	**319**	**3**	**54**	**1**	**491**
• Structured Projects	**-**	**-**	**-**	**-**	**-**
Total Investments	**10,197**	**100**	**8,300**	**100**	**23**

R$ million

	First Quarter				
	2008	%	2007	%	Δ %
International					
Exploration & Production	1,138	85	1,737	90	(34)
Supply	100	7	88	5	14
Gas and Energy	42	3	49	2	(14)
Distribution	3	-	15	1	(80)
Other	52	5	33	2	58
Total Investments	**1,335**	**100**	**1,922**	**100**	**(31)**

R$ million

	First Quarter				
	2008	%	2007	%	Δ %
Projects Developed by SPCs					
Gasene	614	42	69	8	790
CDMPI	226	16	37	4	511
PDET Off Shore	155	11	77	9	101
Codajás	142	10	-	-	-
Mexilhão	121	8	90	11	34
Marlim Leste	98	7	285	33	(66)
Malhas	92	6	199	23	(54)
Amazônia	-	-	104	12	(100)
Total Investments	**1,448**	**100**	**861**	**100**	**68**

In line with its strategic objectives, Petrobras acts in consortiums with other companies as a concessionaire of oil and natural gas exploration, development and production rights. Currently the Company is a member of 93 consortiums. These ventures will require total investments of around US$ 10,459 million by the end of the current year.

THE REGISTRATION WITH THE CVM DOES NOT IMPLY THAT ANY OPINION IS EXPRESSED ON THE COMPANY. THE INFORMATION PROVIDED IS THE RESPONSIBILITY OF THE COMPANY'S MANAGEMENT

1 – CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
00951-2	PETRÓLEO BRASILEIRO S.A. – PETROBRAS	33.000.167/0001-01

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Income Statement - Consolidated

R$ million

4Q-2007		First Quarter 2008	First Quarter 2007
57,922	**Gross Operating Revenues**	59,158	50,127
(12,505)	Sales Deductions	(12,266)	(11,233)
45,417	**Net Operating Revenues**	46,892	38,894
(28,954)		(29,639)	(23,692)
16,463	**Gross profit**	17,253	15,202
	Operating Expenses		
(1,567)	Sales	(1,592)	(1,415)
(1,830)	General and Administratives	(1,565)	(1,545)
(1,070)	Cost of Prospecting, Drilling & Lifting	(685)	(655)
(446)	Losses on recovery of assets	-	-
(492)	Research & Development	(417)	(382)
(305)	Taxes	(149)	(299)
(442)	Pension and Health Plan	(356)	(453)
(1,112)	Other	(1,145)	(1,886)
7,264		(5,909)	(6,635)
	Net Financial Expenses		
806	Income	705	684
(920)	Expenses	(814)	(883)
(1,603)	Monetary & FX Correction - Assets	(211)	(1,870)
858	Monetary & FX Correction - Liabilities	(80)	1,134
(859)		(400)	(935)
(8,123)		(6,309)	(7,570)
(291)	Gains from Investments in Subsidiaries	12	(84)
8,049	**Operating Profit**	10,956	7,548
(350)	Non-operating Income (Expenses)	(12)	27
(2,358)	Income Tax & Social Contribution	(3,971)	(2,968)
(288)	Minority Interest	(48)	(476)
5,053	**Net Income**	**6,925**	**4,131**

Certain figures relating to previous periods have been reclassified to bring them into line with the current financial statements, thereby facilitating comparisons.

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00951-2	PETRÓLEO BRASILEIRO S.A. – PETROBRAS	33.000.167/0001-01

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Balance Sheet – Consolidated

Assets	R$ million	
	03.31.2008	12.31.2007
Assets	**55,298**	**53,374**
Cash and Cash Equivalents	11,560	13,071
Accounts Receivable	12,946	11,329
Inventories	19,395	17,599
Marketable Securities	268	590
Taxes Recoverable	8,169	7,782
Other	2,960	3,003
Non Current Assets	**184,578**	**177,854**
Long-term Assets	**21,260**	**22,023**
Petroleum & Alcohol Account	799	798
Advances to Suppliers	421	397
Marketable Securities	3,730	3,922
Deferred Taxes and Social Contribution	8,180	8,333
Advance for Pension Plan Migration	1,336	1,297
Prepaid Expenses	1,480	1,514
Accounts Receivable	2,529	2,902
Deposits - Legal Matters	1,728	1,693
Other	1,057	1,167
Investments	**7,841**	**7,822**
Fixed Assets	**146,983**	**139,941**
Intangible	**5,737**	**5,532**
Deferred	**2,757**	**2,536**
Total Assets	**239,876**	**231,228**

Liabilities	R$ million	
	03.31.2008	12.31.2007
Current Liabilities	**42,338**	**47,555**
Short-term Debt	7,199	8,501
Suppliers	14,609	13,791
Taxes and Social Contribution Payable	10,207	10,006
Project Finance and Joint Ventures	147	41
Pension Fund Obligations	880	880
Dividends	2,091	6,581
Salaries, Benefits and Charges	1,669	1,689
Other	5,536	6,066
Non Current Liabilities	**68,729**	**62,121**
Long-term Debt	34,685	29,807
Pension Fund Obligations	4,565	4,520
Health Care Benefits	9,558	9,272
Deferred Taxes and Social Contribution	11,573	10,353
Other	8,348	8,169
Deferred Income	**1,734**	**1,392**
Minority interest	**6,240**	**6,306**
Shareholders' Equity	**120,835**	**113,854**
Capital Stock	52,644	52,644
Reserves	61,266	61,210
Net Income	6,925	-
Total Liabilities	**239,876**	**231,228**

Certain figures relating to previous periods have been reclassified to bring them into line with the current financial statements, thereby facilitating comparisons.

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00951-2	PETRÓLEO BRASILEIRO S.A. – PETROBRAS	33.000.167/0001-01

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Statement of Cash Flow - Consolidated

R$ million			
		First Quarter	
4Q-2007		2008	2007
5,053	**Net Income**	**6,925**	**4,131**
6,303	(+) Adjustments	2,846	3,562
2,842	Depreciation & Amortization	2,532	2,411
(211)	Charges on Financing and Connected Companies	714	(676)
288	Minority interest	48	476
291	Result of Participation in Material Investments	(12)	84
1,326	Foreign Exchange on Fixed Assets	485	1,749
(25)	Deferred Income Tax and Social Contribution	737	106
(88)	Inventory Variation	(1,796)	876
1,741	Supplier Variation	822	(1,895)
552	Pension and Health Plan Variation	330	548
(413)	Other	(1,014)	(117)
11,356	**(=) Net Cash Generated by Operating Activities**	**9,771**	**7,693**
(13,916)	**(-) Cash used for Cap.Expend.**	**(10,070)**	**(8,151)**
(5,348)	Investment in E&P	(5,341)	(4,364)
(4,411)	Investment in Refining & Transport	(2,380)	(1,102)
(2,014)	Investment in Gas and Energy	(1,436)	(704)
(559)	Project Finance	(82)	(104)
(1,327)	Investment in International Segment	(1,197)	(1,526)
(139)	Marketable Securities	514	(200)
(12)	Dividends	37	86
(106)	Other investments	(185)	(237)
(2,560)	**(=) Free cash flow**	**(299)**	**(458)**
1,415	**(-) Cash used in Financing Activities**	**(1,212)**	**(6,908)**
1,417	Financing	2,862	(1,035)
(2)	Dividends	(4,074)	(5,873)
(1,145)	**(=) Net cash generated in the period**	**(1,511)**	**(7,366)**
14,216	Cash at the Beginning of Period	13,071	27,829
13,071	Cash at the End of Period	11,560	20,463

Certain figures relating to previous periods have been reclassified to bring them into line with the current financial statements, thereby facilitating comparisons.

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Statement of Value Added – Consolidated

	R$ million	
	First Quarter	
	2008	2007
Description		
Sales of Products and Services and Non-Operating Revenues*	59,610	50,687
Raw Materials Used	(6,966)	(5,576)
Products for Resale	(13,453)	(7,949)
Materials, Energy, Services & Other	(4,891)	(7,124)
Added Value Generated	**34,300**	**30,038**
Depreciation & Amortization	(2,532)	(2,411)
Participation in Equity Income, Goodwill & Negative Goodwill	12	(84)
Financial Result	705	669
Rent and Royalties	149	126
Total Distributable Added Value	**32,634**	**28,338**
Distribution of Added Value		
Personnel		
Salaries, Benefits and Charges	2,656	3,569
	2,656	**3,569**
Government Entities		
Taxes, Fees and Contributions	14,857	13,170
Government Take	5,003	3,468
	19,860	**16,638**
Financial Institutions and Suppliers		
Interest, FX Rate and Monetary Changes	1,105	1,620
Rent and Freight Expenses	2,040	1,904
	3,145	**3,524**
Shareholders		
Minority Interest	48	476
Retained Earnings	6,925	4,131
	6,973	**4,607**
Distributed Added Value	**32,634**	**28,338**

* Net of Provisions for Doubtful Debts.

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00951-2	PETRÓLEO BRASILEIRO S.A. – PETROBRAS	33.000.167/0001-01

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Consolidated Result by Business Area - 1Q/2008

	R$ MILLION							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
INCOME STATEMENTS								
Net Operating Revenues	**25,010**	**37,526**	**3,365**	**12,487**	**4,471**	**-**	**(35,967)**	**46,892**
Intersegments	24,692	10,199	424	200	452	-	(35,967)	-
Third Parties	318	27,327	2,941	12,287	4,019	-	-	46,892
Cost of Goods Sold	(9,505)	(37,133)	(3,161)	(11,389)	(3,659)	-	35,208	(29,639)
Gross Profit	**15,505**	**393**	**204**	**1,098**	**812**	**-**	**(759)**	**17,253**
Operating Expenses	**(1,009)**	**(1,296)**	**(706)**	**(628)**	**(646)**	**(1,683)**	**59**	**(5,909)**
Sales, General & Administrative	(129)	(1,100)	(249)	(626)	(347)	(764)	58	(3,157)
Taxes	(15)	(32)	(9)	(1)	(24)	(68)	-	(149)
Exploratory Costs	(538)	-	-	-	(147)	-	-	(685)
Research & Development	(213)	(82)	(31)	(3)	(1)	(87)	-	(417)
Health and Pension Plans	-	-	-	-	-	(356)	-	(356)
Other	(114)	(82)	(417)	2	(127)	(408)	1	(1,145)
Operating Profit (Loss)	**14,496**	**(903)**	**(502)**	**470**	**166**	**(1,683)**	**(700)**	**11,344**
Interest Income (Expenses)	-	-	-	-	-	(400)	-	(400)
Participation in Equity Income	-	1	(26)	3	47	(13)	-	12
Non-operating Income (Expenses)	(7)	(4)	(1)	-	(3)	3	-	(12)
Income (Loss) Before Taxes and Minority Interests	**14,489**	**(906)**	**(529)**	**473**	**210**	**(2,093)**	**(700)**	**10,944**
Income Tax & Social Contribution	(4,926)	309	171	(160)	(102)	500	237	(3,971)
Minority Interests	(133)	31	(38)	-	(58)	150	-	(48)
Net Income (Loss)	**9,430**	**(566)**	**(396)**	**313**	**50**	**(1,443)**	**(463)**	**6,925**

Consolidated Result by Business Area - 1Q/2007

	R$ MILLION							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
INCOME STATEMENTS								
Net Operating Revenues	**16,966**	**29,690**	**2,146**	**10,223**	**4,671**	**-**	**(24,802)**	**38,894**
Intersegments	15,376	8,023	553	182	668	-	(24,802)	-
Third Parties	1,590	21,667	1,593	10,041	4,003	-	-	38,894
Cost of Goods Sold	(7,938)	(25,248)	(1,925)	(9,252)	(3,926)	-	24,597	(23,692)
Gross Profit	**9,028**	**4,442**	**221**	**971**	**745**	**-**	**(205)**	**15,202**
Operating Expenses	**(972)**	**(1,260)**	**(526)**	**(678)**	**(901)**	**(2,336)**	**38**	**(6,635)**
Sales, General & Administrative	(173)	(898)	(261)	(593)	(386)	(688)	39	(2,960)
Taxes	(12)	(42)	(26)	(49)	(28)	(142)	-	(299)
Exploratory Costs	(216)	-	-	-	(439)	-	-	(655)
Research & Development	(187)	(71)	(40)	(3)	(1)	(80)	-	(382)
Health and Pension Plan	-	-	-	-	-	(453)	-	(453)
Other	(384)	(249)	(199)	(33)	(47)	(973)	(1)	(1,886)
Operating Profit (Loss)	**8,056**	**3,182**	**(305)**	**293**	**(156)**	**(2,336)**	**(167)**	**8,567**
Interest Income (Expenses)	-	-	-	-	-	(935)	-	(935)
Equity Income	-	42	6	(4)	9	(137)	-	(84)
Non-operating Income (Expense)	(3)	7	3	-	23	(3)	-	27
Income (Loss) Before Taxes and Minority Interests	**8,053**	**3,231**	**(296)**	**289**	**(124)**	**(3,411)**	**(167)**	**7,575**
Income Tax & Social Contribution	(2,738)	(1,084)	102	(100)	(66)	861	57	(2,968)
Minority Interests	(232)	(21)	(122)	-	(71)	(30)	-	(476)
Net Income (Loss)	**5,083**	**2,126**	**(316)**	**189**	**(261)**	**(2,580)**	**(110)**	**4,131**

Part of the expenses associated with idle thermoelectric plants were allocated to COGS, given that such expenses are linked to energy sales which are in turn tied to the capacity available for sale, independently of the volume effectively generated.

In order to unify the criterion for the allocation of safety, health and environmental expenses, we opted to allocate these expenses in their entirety to other operating income (expenses).

Expenditure related to the training of new Petrobras employees is now allocated in line with the area of each employee and is no longer wholly allocated to corporate administrative expenses..

In order to maintain comparability between the periods, we are presenting the previous statements in accordance with the new criteria above.

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08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

EBITDA[1] Consolidated Statement by Business Area - 1Q/2008

	R$ MILLION							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
Operating Profit (Loss) [2]	**14,496**	**(903)**	**(502)**	**470**	**166**	**(1,683)**	**(700)**	**11,344**
Depreciation & Amortization	**1,387**	**530**	**207**	**90**	**278**	**40**	**-**	**2,532**
EBITDA [1]	**15,883**	**(373)**	**(295)**	**560**	**444**	**(1,643)**	**(700)**	**13,876**

(1) Operating income before the financial results and equity income + depreciation /amortization.

(2) Adjusted for Profit Sharing Program.

Statement of Other Operating Revenues (Expenses) - 1Q/2008

	R$ MILLION							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
Expenses with Renegotiation of Petros Fund Plan	(21)	(16)	-	(9)	-	(233)	-	**(279)**
Losses and Contingencies related to Legal Proceedings	-	-	(253)	-	-	-	-	**(253)**
Operating expenses with thermoelectric	-	-	(161)	-	-	-	-	**(161)**
HSE Expenses	(9)	(7)	-	(1)	(126)	(10)	-	**(153)**
Unscheduled stoppages at installations and production equipment	(6)	(17)	(1)	-	-	(55)	-	**(79)**
Losses and Contingencies related to Legal Proceedings	(22)	(31)	-	-	-	-	-	**(53)**
Contractual losses from ship-or-pay transport services	-	-	-	-	(21)	-	-	**(21)**
Other	(56)	(11)	(2)	12	20	(110)	1	**(146)**
	(114)	**(82)**	**(417)**	**2**	**(127)**	**(408)**	**1**	**(1,145)**

Statement of Other Operating Revenues (Expenses) - 1Q/2007

	R$ MILLION							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
Institutional relations and cultural projects	(21)	(15)	-	(7)	-	(247)	-	**(290)**
Operating expenses with thermoelectric	-	-	(165)	-	-	-	-	**(165)**
Losses and Contingencies related to Legal Proceedings	(6)	(12)	-	1	(2)	9	-	**(10)**
HSE Expenses	(7)	(22)	(1)	-	-	(65)	-	**(95)**
Unscheduled stoppages at installations and production equipment	(19)	(41)	-	-	-	-	-	**(60)**
Contractual losses from ship-or-pay transport services	-	-	-	-	(15)	-	-	**(15)**
Expenses with Renegotiation of Petros Fund Plan	(220)	(129)	(11)	(40)	(8)	(632)	-	**(1,040)**
Unscheduled stoppages at installations and production equipment	(111)	(30)	(22)	13	(22)	(38)	(1)	**(211)**
-	**(384)**	**(249)**	**(199)**	**(33)**	**(47)**	**(973)**	**(1)**	**(1,886)**

Part of the expenses associated with idle thermoelectric plants were allocated to COGS, given that such expenses are linked to energy sales which are in turn tied to the capacity available for sale, independently of the volume effectively generated.

In order to unify the criterion for the allocation of safety, health and environmental expenses, we opted to allocate these expenses in their entirety to other operating income (expenses).

In order to maintain comparability between the periods, we are presenting the previous statements in accordance with the new criteria above.

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Consolidated Assets by Business Area - 03.31.2008

	R$ MILLION							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
ASSETS	**94,007**	**58,813**	**30,388**	**9,970**	**23,010**	**34,202**	**(10,514)**	**239,876**
CURRENT ASSETS	**6,265**	**26,364**	**5,409**	**5,223**	**4,198**	**17,963**	**(10,124)**	**55,298**
CASH AND CASH EQUIVALENTS	-	-	-	-	-	11,560	-	11,560
OTHER	6,265	26,364	5,409	5,223	4,198	6,403	(10,124)	43,738
NON-CURRENT ASSETS	**87,742**	**32,449**	**24,979**	**4,747**	**18,812**	**16,239**	**(390)**	**184,578**
LONG-TERM ASSETS	3,606	1,138	2,154	506	1,027	13,197	(368)	**21,260**
PROPERTY, PLANTS AND EQUIPMENT	80,627	26,973	21,755	2,801	13,116	1,733	(22)	**146,983**
OTHER	3,509	4,338	1,070	1,440	4,669	1,309	-	**16,335**

Consolidated Assets by Business Area - 12.31.2007

	R$ MILLION							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORPOR.	ELIMIN.	TOTAL
ASSETS	**89,256**	**55,253**	**27,942**	**9,890**	**22,406**	**36,409**	**(9,928)**	**231,228**
CURRENT ASSETS	**5,174**	**24,390**	**4,423**	**4,946**	**4,212**	**20,050**	**(9,821)**	**53,374**
CASH AND CASH EQUIVALENTS	-	-	-	-	-	13,071	-	13,071
OTHER	5,174	24,390	4,423	4,946	4,212	6,979	(9,821)	40,303
NON-CURRENT ASSETS	**84,082**	**30,863**	**23,519**	**4,944**	**18,194**	**16,359**	**(107)**	**177,854**
LONG-TERM ASSETS	4,046	1,335	1,841	702	1,088	13,101	(90)	**22,023**
PROPERTY, PLANTS AND EQUIPMENT	76,611	25,226	20,753	2,793	12,664	1,911	(17)	**139,941**
OTHER	3,425	4,302	925	1,449	4,442	1,347	-	**15,890**

08.01 – COMMENTS ON THE CONSOLIDATED PERFORMANCE IN THE QUARTER

Consolidated Results – International Business Area - 1Q/2008

	R$ MILLION INTERNATIONAL						
	E&P	SUPPLY	GAS & ENERGY	DISTR.	CORPOR.	ELIMIN.	TOTAL
INTERNATIONAL AREA							
ASSETS (03.31.2008)	**15,949**	**4,835**	**2,430**	**713**	**3,050**	**(3,967)**	**23,010**
Income Statement [1] - 1Q/2008							
Net Operating Revenues	**1,117**	**2,775**	**485**	**1,056**	**1**	**(963)**	**4,471**
Intersegments	628	655	117	15	-	(963)	452
Third Parties	489	2,120	368	1,041	1	-	4,019
Operating Profit (Loss)	**239**	**(5)**	**143**	**(45)**	**(119)**	**(47)**	**166**
Net Income (Loss)	**116**	**20**	**81**	**(35)**	**(85)**	**(47)**	**50**

Consolidated Results – International Business Area

	R$ MILLION INTERNATIONAL						
	E&P	SUPPLY	GAS & ENERGY	DISTR.	CORPOR.	ELIMIN.	TOTAL
INTERNATIONAL AREA							
ASSETS (12.31.2007)	**14,987**	**4,636**	**2,378**	**819**	**2,543**	**(2,957)**	**22,406**
Income Statement - 1Q 2007							
Net Operating Revenues	**1,211**	**2,975**	**634**	**890**	**15**	**(1,054)**	**4,671**
Intersegments	914	706	99	3	-	(1,054)	668
Third Parties	297	2,269	535	887	15	-	4,003
Operating Profit (Loss)	**(153)**	**(74)**	**195**	**21**	**(169)**	**24**	**(156)**
Net Income (Loss)	**(239)**	**(38)**	**144**	**17**	**(169)**	**24**	**(261)**

[1] Expenditure related to the training of new Petrobras employees is now allocated in line with the area of each employee and is no longer wholly allocated to corporate administrative expenses. In order to maintain comparability between the periods, we are presenting the previous statements in accordance with the new criteria above.

1. Petroleum and Ethanol Accounts – National Treasury

In order to settle the accounts with the federal government, in accordance with Provisional Measure No. 2181 of August 24, 2001, Petrobras, after having submitted all the information required by the National Treasury (STN), is seeking to reconcile the differences between the parties which comprise alleged debts arising from loan operations involving the extinct Interbras.

In November 2007, as part of the ongoing negotiations with the STN, Petrobras one again officially stated its understanding that these debts were never owed by Interbras, requested the issue of securities to settle the balance of the Petroleum and Ethanol Accounts and their possible use to pay Petrobras' actuarial debts with Petros.

The account balance of R$ 799 million on March 31, 2008 (R$ 798 million in 2007) may be paid by the federal government through the issuance of National Treasury bonds, in an amount equal to the final settlement amount or with other amounts that Petrobras may owe to the federal government, including those related to taxes, or through a combination of these options.

2. Consolidated Taxes and Contributions

The economic contribution of Petrobras to the country, measured through the generation of current taxes, duties and social contributions, totaled R$ 14,005 million.

R$ million				
		First Quarter		
4Q-2007		2008	2007	Δ%
	Economic Contribution - Country			
4,630	**Value Added Tax (ICMS)**	4,550	4,132	10
2,021	**CIDE** [(1)]	1,944	1,853	5
3,159	**PASEP/COFINS**	3,046	2,749	11
2,241	**Income Tax & Social Contribution**	3,888	2,892	34
819	**Other**	577	656	(12)
12,870	**Subtotal Country**	**14,005**	**12,282**	14
833	**Economic Contribution - Foreign**	852	888	(4)
13,703	**Total**	**14,857**	**13,170**	13

(1) CIDE – ECONOMIC DOMAIN CONTRIBUTION CHARGE.

3. Government Participations

R$ million				
		First Quarter		
4Q-2007		2008	2007	Δ %
	Country			
2,182	*Royalties*	2,397	1,627	47
2,150	Special Participation	2,430	1,509	61
33	Surface Rental Fees	30	33	(9)
4,365	**Subtotal Country**	**4,857**	**3,169**	53
197	**Foreign**	146	299	(51)
4,562	**Total**	**5,003**	**3,468**	44

Government participations in the country increased by 53% year-on-year, due to the 42% upturn in the reference price for local oil, which averaged R$ 139.57 (US$ 80.45) in the 1Q-2008, versus R$ 98.20 (US$ 46.62) in the 1Q-2007, reflecting the average Brent price on the international market, and the increase in output, chiefly due to the operational start-up of the P-34 (Jubarte), FPSO-Cidade do RJ (Espadarte), FPSO-Cidade de Vitória (Golfinho), P-52 (Roncador) and P-54 (Roncador) platforms, offsetting the natural decline in production

In comparison with the 4Q-2007, government participations in the country moved up 11%, due to the 5% upturn in the reference price for local oil which averaged R$ 139.57 (US$ 80,45) in the 1Q-2008, versus R$ 133.54 (US$ 74.84) in the 4Q-2007, reflecting the average Brent price on the international market, plus increased output from the recently installed platforms in the Golfinho and Roncador fields.

4. Reconciliation of Consolidated Shareholders' Equity and Net Income

	R$ million	
	Shareholders' Equity	Result
. According to PETROBRAS information as of March 31, 2008	122,763	6,751
. Profit in the sales of products in affiliated inventories	(503)	(503)
. Reversal of profits on inventory in previous years	-	667
. Capitalized interest	(867)	(13)
. Absorption of negative net worth in affiliated companies *	(104)	(92)
. Other eliminations	(454)	115
. According to consolidated information as of March 31, 2008	120,835	6,925

* Pursuant to CVM Instruction 247/96, losses considered temporary on investments evaluated by the equity method, where the investee shows no signs of stoppage or the need for financial support from the investor, must be limited to the amount of the controlling company's investment. Thus losses generated by unfunded liabilities (negative shareholders' equity) of the controlled companies did not affect the results or shareholders' equity of Petrobras on March 31, 2007, generating a conciliatory item between the Financial Statements of Petrobras and the Consolidated Financial Statements.

5. Performance of Petrobras Shares and ADRs

Nominal Change			
		First Quarter	
4Q-2007		2008	2007
51.52%	**Petrobras ON**	-14.60%	-5.05%
49.32%	**Petrobras PN**	-16.30%	-7.35%
52.64%	**ADR- Nível III - ON**	-11.39%	-3.38%
48.72%	**ADR- Nível III - PN**	-11.98%	-3.68%
5.66%	**IBOVESPA**	-4.57%	2.99%
-4.54%	**DOW JONES**	-7.55%	-0.87%
-1.82%	**NASDAQ**	-14.07%	0.26%

Petrobras' shares had a book value of R$ 27.98 on March 31, 2008.

6. Foreign Exchange Exposure

Assets	R$ million	
	03.31.2008	12.31.2007
Current Assets	**8,334**	**9,368**
Cash and Cash Equivalents	4,049	4,037
Other Current Assets	4,285	5,331
Non-current Assets	**18,626**	**21,178**
Amounts invested abroad via partner companies, in the international segment, in E&P equipments to be used in Brazil and in commercial activities.	17,618	20,362
Long-term Assets	554	480
Investments		
Property, plant and equipment	454	336
Total Assets	**26,960**	**30,546**

Liabilities	R$ million	
	03.31.2008	12.31.2007
Current Liabilities	**(4,859)**	**(7,601)**
Short-term Debt	(2,435)	(3,183)
Suppliers	(1,792)	(2,122)
Other Current Liabilities	(632)	(2,296)
Long-term Liabilities	**(14,124)**	**(12,199)**
Long-term Debt	(13,024)	(11,062)
Other Long-term Liabilities	(1,100)	(1,137)
Total Liabilities	**(18,983)**	**(19,800)**
Net Assets (Liabilities) in Reais	**7,977**	**10,746**
(+) Investment Funds - Exchange	20	41
(-) FINAME Loans - dollar-indexed reais	(355)	(339)
Net Assets (Liabilities) in Reais	**7,642**	**10,448**

* The results of investments in Exchange Funds are booked under Financial Revenue.

01.01 – IDENTIFICATION

1 - CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
00951-2	**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**	**33.000.167/0001-01**

10.01 - CHARACTERISTICS OF THE PUBLIC OR PRIVATE ISSUE OF DEBENTURES

01 - ITEM	01
02 - ISSUANCE ORDER NUMBER	1
03 - CVM REGISTRATION NUMBER	
04 - DATE OF REGISTRATION WITH CVM	
05 - DEBENTURE SERIES ISSUED	1
06 - ISSUE TYPE	SIMPLE
07 - NATURE OF ISSUE	PRIVATE
08 - ISSUE DATE	02/15/1998
09 - DUE DATE	02/15/2015
10 - TYPE OF DEBENTURE	VARIABLE
11 - CURRENT REMUNERATION TERMS	2,5% above TJLP
12 - PREMIUM/DISCOUNT	
13 - FACE VALUE (REAIS)	10.000,00
14 - AMOUNT ISSUED (IN THOUSANDS OF REAIS)	430.000
15 - NUMBER OF DEBENTURES ISSUED (UNITS)	43.000
16 - DEBENTURES IN CIRCULATION (UNITS)	43.000
17 - DEBENTURES IN TREASURY (UNITS)	0
18 - DEBENTURES REDEEMED (UNITS)	0
19 - DEBENTURES CONVERTED (UNITS)	0
20 - DEBENTURES FOR PLACEMENT (UNITS)	0
21 - DATE OF THE LAST REPRICING	
22 - DATE OF THE NEXT EVENT	08/15/2008

01.01 - IDENTIFICATION

1 - CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
00951-2	**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**	**33.000.167/0001-01**

10.01 - CHARACTERISTICS OF THE PUBLIC OR PRIVATE ISSUE OF DEBENTURES

01 - ITEM	02
02 - ISSUANCE ORDER NUMBER	2
03 - CVM REGISTRATION NUMBER	CVM/SRE/DEB/2002/035
04 - DATE OF REGISTRATION WITH CVM	08/30/2002
05 - DEBENTURE SERIES ISSUED	1
06 - ISSUE TYPE	SIMPLE
07 - NATURE OF ISSUE	PUBLIC
08 - ISSUE DATE	08/01/2002
09 - DUE DATE	08/01/2012
10 - TYPE OF DEBENTURE	VARIABLE
11 - CURRENT REMUNERATION TERMS	IGPM plus 11% per annum
12 - PREMIUM/DISCOUNT	
13 - FACE VALUE (REAIS)	1.000,00
14 - AMOUNT ISSUED (IN THOUSANDS OF REAIS)	750.000
15 - NUMBER OF DEBENTURES ISSUED (UNITS)	750.000
16 - DEBENTURES IN CIRCULATION (UNITS)	750.000
17 - DEBENTURES IN TREASURY (UNITS)	0
18 - DEBENTURES REDEEMED (UNITS)	0
19 - DEBENTURES CONVERTED (UNITS)	0
20 - DEBENTURES FOR PLACEMENT (UNITS)	0
21 - DATE OF THE LAST REPRICING	
22 - DATE OF THE NEXT EVENT	08/01/2008

01.01 - IDENTIFICATION

1 - CVM CODE	2 - NAME OF THE COMPANY	3 - CNPJ (TAXPAYERS RECORD NUMBER)
00951-2	**PETRÓLEO BRASILEIRO S.A. - PETROBRAS**	**33.000.167/0001-01**

10.01 - CHARACTERISTICS OF THE PUBLIC OR PRIVATE ISSUE OF DEBENTURES

01 - ITEM	03
02 - ISSUANCE ORDER NUMBER	3
03 - CVM REGISTRATION NUMBER	CVM/SRE/DEB/2002/037
04 - DATE OF REGISTRATION WITH CVM	10/31/2002
05 - DEBENTURE SERIES ISSUED	1
06 - ISSUE TYPE	SIMPLE
07 - NATURE OF ISSUE	PUBLIC
08 - ISSUE DATE	10/04/2002
09 - DUE DATE	10/01/2010
10 - TYPE OF DEBENTURE	VARIABLE
11 - CURRENT REMUNERATION TERMS	IGPM plus 10,3% per annum
12 - PREMIUM/DISCOUNT	
13 - FACE VALUE (REAIS)	1.000,00
14 - AMOUNT ISSUED (IN THOUSANDS OF REAIS)	775.000
15 - NUMBER OF DEBENTURES ISSUED (UNITS)	775.000
16 - DEBENTURES IN CIRCULATION (UNITS)	775.000
17 - DEBENTURES IN TREASURY (UNITS)	0
18 - DEBENTURES REDEEMED (UNITS)	0
19 - DEBENTURES CONVERTED (UNITS)	0
20 - DEBENTURES FOR PLACEMENT (UNITS)	0
21 - DATE OF THE LAST REPRICING	
22 - DATE OF THE NEXT EVENT	10/01/2008

16.01 - OTHER INFORMATION THE COMPANY CONSIDERED SIGNIFICANT

STATEMENT OF CASH FLOW

	R$ Thousand			
	Consolidated		Parent Company	
	03.31.2008	03.31.2007	03.31.2008	03.31.2007
Net Income for the Period	**6.925.062**	**4.130.719**	**6.751.225**	**4.336.320**
(+) Adjustments	**2.846.350**	**3.562.638**	**5.365.910**	**3.384.269**
Depreciation and amortization	2.532.085	2.411.399	1.540.505	1.260.089
Petroleum and alcohol accounts	(1.511)	(3.487)	(1.511)	(3.487)
Operation with supply of petroleum and oil products - foreign			6.158.621	159.448
Financial charges, related parties and projects financings	714.346	(676.198)	(179.345)	784.326
Minority interest	47.935	476.122		
Equity pickup	(11.926)	84.130	(797.556)	(52.150)
Net book value of fixed assets written off	447.915	30.178	314.982	(1.574)
Deferred income tax and social contribution	737.177	105.886	569.451	35.641
Exchange variation on fixed assets	484.888	1.749.457	0	0
Change in inventories	(1.795.620)	875.622	2.553.065	698.761
Change in accounts receivable from third and related parties	(1.244.196)	79.366	(562.887)	(785.191)
Change in suppliers to third and related parties	821.995	(1.895.367)	457.954	187.803
Change in taxes and contributions	118.915	1.291.967	(292.514)	405.416
Change in projects financings			105.780	27.471
Change in pension and healthcare plans	330.158	548.319	295.002	491.836
Change in other assets and liabilities	(335.811)	(1.514.756)	310.493	175.880
(=) Cash Generated by Operating Activities	**9.771.412**	**7.693.357**	**12.117.135**	**7.720.589**
(-) Cash Used in Investment Activities	**(10.070.210)**	**(8.151.372)**	**(7.262.194)**	**(4.634.628)**
Investment in exploration, production and gas	(5.341.368)	(4.364.259)	(3.929.013)	(3.111.983)
Investment in refining and transportation	(2.379.798)	(1.101.743)	(2.285.481)	(1.015.816)
Investment in gas and energy	(1.436.092)	(704.376)	(702.988)	(298.021)
Investment in distribution	(81.735)	(104.396)		
Investment in international segment	(1.196.898)	(1.525.699)	(12.844)	(4.076)
Other investments	(184.992)	(236.793)	(184.740)	(146.768)
Marketable securities	514.038	(199.940)		
Dividends received	36.635	85.834	207.900	36.420
Ventures under negotiation			(355.028)	(94.384)
(=) Net Cash Flow	**(298.798)**	**(458.015)**	**4.854.941**	**3.085.961**
(-) Cash Used in Financing Activities	**(1.212.441)**	**(6.908.395)**	**2.385.184**	**(10.045.879)**
Intercompany loans and financing activities, net	2.861.395	(1.035.307)	(2.697.040)	(4.172.791)
Investment Fund in Non-standard Credit Rights			9.156.060	
Dividends paid to shareholders	(4.073.836)	(5.873.088)	(4.073.836)	(5.873.088)
(=) Cash Generated (Used) in the Period	**(1.511.239)**	**(7.366.410)**	**7.240.125**	**(6.959.918)**
At Beginning of the Period	**13.070.849**	**27.829.105**	**7.847.949**	**20.098.892**
At End of the Period	**11.559.610**	**20.462.695**	**15.088.074**	**13.138.974**

16.01 - OTHER INFORMATION THE COMPANY CONSIDERED SIGNIFICANT

STATEMENT OF VALUE ADDED

R$ Thousand

	Consolidated				Parent Company			
	03.31.2008		03.31.2007		03.31.2008		03.31.2007	
Sales of products and services and non-operating income (*)	**59.609.992**		**50.686.717**		**45.129.801**		**38.319.637**	
Consumed raw material	(6.965.819)		(5.576.423)		(3.739.442)		(2.823.693)	
Cost of products and services sold	(13.452.794)		(7.948.620)		(5.907.927)		(1.889.159)	
Energy, third party services and other operating expenses	(4.891.015)		(7.123.668)		(3.869.684)		(6.042.770)	
GROSS VALUE ADDED	**34.300.364**		**30.038.006**		**31.612.748**		**27.564.015**	
Depreciation and amortization	(2.532.085)		(2.411.399)		(1.540.505)		(1.260.089)	
Equity pickup	87.026		(74.829)		854.701		49.786	
Financial income/monetary and foreign exchange variations	705.143		669.238		1.261.219		491.050	
Goodwill/discount - amortization	(75.100)		(9.301)		(57.145)		2.364	
Rental and royalties	148.363		126.154		118.626		97.836	
TOTAL VALUE ADDED AVAILABLE FOR DISTRIBUTION	**32.633.711**		**28.337.869**		**32.249.644**		**26.944.962**	
DISTRIBUTION OF VALUE ADDED	**32.633.711**	**100 %**	**28.337.869**	**100%**	**32.249.644**	**100%**	**26.944.962**	**100%**
Personnel	**2.655.912**	**8%**	**3.569.215**	**13%**	**1.978.276**	**6%**	**2.973.903**	**11%**
Salaries, benefits and charges	2.655.912	8%	3.569.215	**13%**	1.978.276	**6%**	2.973.903	**11%**
Government entities	**19.860.067**	**61%**	**16.638.108**	**58%**	**19.749.826**	**61%**	**16.297.338**	**61%**
Taxes, charges and contributions	14.120.230	43%	13.063.843	46%	14.323.885	44%	13.092.977	49%
Deferred income/social contribution taxes	737.177	2%	105.886	1%	569.451	2%	35.641	0%
Government participations	5.002.660	16%	3.468.379	11%	4.856.490	15%	3.168.720	12%
Financial institutions and suppliers	**3.144.735**	**10%**	**3.523.705**	**13%**	**3.770.317**	**12%**	**3.337.401**	**12%**
Interest, monetary and exchange variations	1.104.705	4%	1.619.336	6%	1.115.805	4%	1.081.034	4%
Leasing and charter expenses	2.040.030	6%	1.904.369	7%	2.654.512	8%	2.256.367	8%
Shareholders:	**6.972.997**	**21%**	**4.606.841**	**16%**	**6.751.225**	**21%**	**4.336.320**	**16%**
Interest on capital and dividends								
Minority interest	47.935	0%	476.122	2%				
Retained earnings	6.925.062	21%	4.130.719	14%	6.751.225	21%	4.336.320	16%

(*) Includes allowance for doubtful debts.

16.01 - OTHER INFORMATION THE COMPANY CONSIDERED SIGNIFICANT

CONSOLIDATED SEGMENT INFORMATION AS OF MARCH 31, 2008

Consolidated Assets by Operating Segment - 03.31.2008

	R$ Thousands							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORP.	ELIMIN.	TOTAL
ASSETS	**94.006.789**	**58.814.187**	**30.387.743**	**9.970.121**	**23.011.119**	**34.201.494**	**(10.515.125)**	**239.876.328**
CORRENT ASSETS	**6.265.374**	**26.364.494**	**5.408.552**	**5.223.072**	**4.198.387**	**17.962.942**	**(10.125.087)**	**55.297.734**
Cash and cash equivalent						11.559.610		11.559.610
Other current assets	6.265.374	26.364.494	5.408.552	5.223.072	4.198.387	6.403.332	(10.125.087)	43.738.124
NO-Corrent assets	**87.741.415**	**32.449.693**	**24.979.191**	**4.747.049**	**18.812.732**	**16.238.552**	**(390.038)**	**184.578.594**
Long-term Assets	3.606.107	1.137.951	2.154.586	505.610	1.027.659	13.196.867	(369.123)	21.259.657
Property, plan and equipament	80.626.794	26.973.210	21.754.611	2.801.024	13.116.070	1.732.769	(20.915)	146.983.563
Other	3.508.514	4.338.532	1.069.994	1.440.415	4.669.003	1.308.916		16.335.374

Consolidated Income Statement by Operating Segment - Jan-Mar 2008

	R$ Thousand							
	E&P	SUPPLY	GAS & ENERGY	DISTRIB.	INTERN.	CORP.	ELIMIN.	TOTAL
STATEMENT OF INCOME	**25.010.180**	**37.525.643**	**3.365.115**	**12.487.368**	**4.470.531**		**(35.966.707)**	**46.892.130**
Net operating Revenue	24.692.215	10.198.776	423.849	200.242	451.625		(35.966.707)	
Intersegment	317.965	27.326.867	2.941.266	12.287.126	4.018.906			46.892.130
Third parties	(9.504.940)	(37.133.320)	(3.160.606)	(11.388.824)	(3.659.315)		35.207.581	(29.639.424)
Cost of Goods Sold	**15.505.240**	**392.323**	**204.509**	**1.098.544**	**811.216**		**(759.126)**	**17.252.706**
Gross Profit	**(1.009.899)**	**(1.295.492)**	**(705.682)**	**(629.054)**	**(646.602)**	**(1.683.177)**	**61.286**	**(5.908.620)**
Operating Expenses	(129.455)	(1.100.302)	(249.043)	(626.349)	(347.542)	(764.255)	60.454	(3.156.492)
Selling, General & Administrative	(15.215)	(31.514)	(8.866)	(1.325)	(23.738)	(68.470)		(149.128)
Taxes	(538.065)				(147.372)			(685.437)
Prospecting & Drilling	(213.321)	(81.874)	(31.268)	(3.448)	(1.062)	(85.879)		(416.852)
Research & Development						(356.073)		(356.073)
Healthy and Pension Plan	(113.843)	(81.802)	(416.505)	2.068	(126.888)	(408.500)	832	(1.144.638)
Other Operating expenses	**14.495.341**	**(903.169)**	**(501.173)**	**469.490**	**164.614**	**(1.683.177)**	**(697.840)**	**11.344.086**
Operating Income (Loss)						(399.562)		(399.562)
Financial Expenses net		1.096	(26.385)	2.573	46.924	(12.282)		11.926
Equit/ Pick-up	(7.090)	(4.498)	(960)	(35)	(2.939)	2.745		(12.777)
Non-operating Income (expenses)	**14.488.251**	**(906.571)**	**(528.518)**	**472.028**	**208.599**	**(2.092.276)**	**(697.840)**	**10.943.673**
Income tax and social contribution	(4.926.061)	308.606	170.725	(159.614)	(101.788)	500.194	237.262	(3.970.676)
Minority Interests	(132.987)	31.312	(38.265)		(57.628)	149.633		(47.935)
Net Income (Loss)	**9.429.203**	**(566.653)**	**(396.058)**	**312.414**	**49.183**	**(1.442.449)**	**(460.578)**	**6.925.062**

16.01 - OTHER INFORMATION THE COMPANY CONSIDERED SIGNIFICANT

Consolidated statement – International Business Area - Jan-Mar 2008

	R$ Thousand						
INTERNATIONAL	**E&P**	**SUPPLY**	**G&E**	**DISTRIB.**	**CORP.**	**ELIMIN.**	**TOTAL**
Assets (03.31.2008)	**15.949.311**	**4.835.392**	**2.429.776**	**712.596**	**3.050.219**	**(3.966.175)**	**23.011.119**
INCOME STATEMENT							
Net Operating Revenue	**1.117.026**	**2.775.430**	**484.577**	**1.055.575**	**1.401**	**(963.478)**	**4.470.531**
Intersegment	628.481	655.255	116.502	14.865		(963.478)	451.625
Third parties	488.545	2.120.175	368.075	1.040.710	1.401		4.018.906
Operating Profit (Loss)	**238.736**	**(4.814)**	**143.499**	**(44.589)**	**(120.341)**	**(47.877)**	**164.614**
Net Income (Loss)	**116.057**	**20.217**	**81.492**	**(35.249)**	**(85.457)**	**(47.877)**	**49.183**

Statement of Other Operating Income (Expenses) - Jan-Mar 2008

	R$ Thousands							
	E&P	**SUPPLY**	**G&E**	**DISTRIB.**	**CORP.**	**ELIMIN.**	**TOTAL**	
Cultural Projects and Institutional Relations	(20.933)	(15.654)	(39)	(9.405)		(233.101)		(279.132)
Contractual Fines and Charges			(252.506)					(252.506)
Operating Expenses on Thermoelectric Power Stations			(161.059)					(161.059)
Losses and Contingencies with Judicial Actions	(9.474)	(7.442)	(323)	(973)	(126.030)	(10.433)		(154.675)
Expenditure on Environment, Healthcare and Safety	(5.848)	(17.211)	(957)			(55.034)		(79.050)
Unscheduled Stoppages on Production Facilities and Equipment	(21.762)	(30.797)						(52.559)
Contractual charges on Shipment Services - Ship or Pay					(21.439)			(21.439)
Other	(55.826)	(10.698)	(1.621)	12.446	20.581	(109.932)	832	(144.218)
	(113.843)	**(81.802)**	**(416.505)**	**2.068**	**(126.888)**	**(408.500)**	**832**	**(1.144.638)**

16.01 - OTHER INFORMATION THE COMPANY CONSIDERED SIGNIFICANT

PETROBRAS SHAREHOLDERS' BREAKDOWN

Stockholders	Composition of Stock Capital (12/31/2007)		Composition of Stock Capital (03/31/2008)	
	Shares	%	Shares	%
Common Shares	**2.536.673.672**	**100,0**	**2.536.673.672**	**100,0**
Federal Union	1.413.258.228	55,7	1.413.258.228	55,7
BNDESPar	47.246.164	1,9	47.246.164	1,9
ADR Level 3	695.675.776	27,4	690.883.122	27,2
FMP - FGTS PETROBRAS	102.326.421	4,0	99.084.394	3,9
Foreigner (Resolution n^{o} 2.689 C.M.N.)	80.989.971	3,2	85.909.248	3,4
Other transfer agents (*)	197.177.112	7,8	200.292.516	7,9
Preferred Shares	**1.850.364.698**	**100,0**	**1.850.364.698**	**100,0**
BNDESPar	287.023.667	15,5	287.023.667	15,5
ADR Level 3 and Rule 144-A	675.831.674	36,5	635.205.952	34,3
Foreigner (Resolution n^{o} 2689 C.M.N.)	260.984.824	14,1	248.691.428	13,4
Other transfer agents (*)	626.524.533	33,9	679.443.651	36,7
Capital	**4.387.038.370**	**100,0**	**4.387.038.370**	**100,0**
Federal Union	1.413.258.228	32,2	1.413.258.228	32,2
BNDESPar	334.269.831	7,6	334.269.831	7,6
ADR (Common Shares)	695.675.776	15,9	690.883.122	15,7
ADR (Preferred Shares)	675.831.674	15,4	635.205.952	14,5
FMP - FGTS PETROBRAS	102.326.421	2,3	99.084.394	2,3
Foreigner (Resolution n^{o} 2689 C.M.N.)	341.974.795	7,8	334.600.676	7,6
Other transfer agents (*)	823.701.645	18,8	879.736.167	20,1

(*) Includes Bovespa custody and other entities

Independent accountants' review report

(A free translation of the original report in Portuguese, as filed with the Brazilian Securities Commission (CVM), prepared in accordance with rules of the CVM)

To
The Board of Directors and Shareholders of
Petróleo Brasileiro S.A. - Petrobras
Rio de Janeiro - RJ

We have reviewed the accounting information included in the Quarterly Information - ITR (Parent Company and Consolidated) of Petróleo Brasileiro S.A. - Petrobras for the quarter ended March 31, 2008, comprising the balance sheet and the related statements of income, cash flows and added value, the management report and the footnotes, which are the responsibility of its management

Our review was performed in accordance with the review standards established by the IBRACON - Brazilian Institute of Independent Auditors and the Federal Council of Accountancy - CFC, which comprised, mainly: (a) inquiry and discussion with management responsible for the accounting, financial and operational areas of the Company and its subsidiaries, regarding the main criteria adopted in the preparation of the Quarterly Information; and (b) review of the information and subsequent events, which have, or may have, a material effect on the financial position and operations of the Company and its subsidiaries.

Based on our review, we are not aware of any material change that should be made to the accounting information included in the Quarterly Information referred to above, for them to be in accordance with the regulation issued by the Brazilian Securities Commission (CVM), applicable to the preparation of the Quarterly Information, including the CVM Instruction 469/08.

17.01 – SPECIAL REVIEW REPORT

As mentioned in Note 2, Law 11.638 was enacted on December 28, 2007 and came into effect on January 1, 2008. This Law amended, revoked and introduced new provisions to Law 6.404/76 (Corporation Law) and caused changes in the accounting practices adopted in Brazil. Although this Law is already in force, some changes introduced depend on regulation by the regulatory authorities in order to be fully implemented by the companies. Therefore, during this transition phase, the CVM, by the CVM Instruction 469/08, has allowed the Quarterly Information (ITR) to be prepared without applying all the provisions of Law 11.638/07. As such, the accounting information contained in the ITR for the quarter ended March 31, 2008, were prepared according to specific instructions of the CVM and does not take into consideration all modifications on the accounting practices introduced by Law 11.638/07.

Our review was performed with the objective of issuing a review report on the accounting information included in the Quarterly Information referred to in the first paragraph, taken as a whole. The statement of segment information for the quarter ended March 31, 2008, represents supplementary information to the quarterly information, is not required by the accounting practices adopted in Brazil and is being presented to facilitate additional analysis. This supplementary information was subject to the same review procedures as applied to the Quarterly Information and, based on our review, we are not aware of any material change that should be made for them to be adequately presented in relation to the Quarterly Information referred to in the first paragraph, taken as a whole.

May 12, 2008

KPMG Auditores Independentes
CRC SP-14.428/O-6-F-RJ

Manuel Fernandes Rodrigues de Sousa
Accountant CRC RJ-052-428/O-2

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