

BRAZILIAN PETROLEUM CORP
Form 6-K
October 30, 2003

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16 of the
Securities Exchange Act of 1934

For the month of October, 2003

Commission File Number 1-15106

PETRÓLEO BRASILEIRO S.A. - PETROBRAS

(Exact name of registrant as specified in its charter)

Brazilian Petroleum Corporation - PETROBRAS

(Translation of Registrant's name into English)

Avenida República do Chile, 65
20035-900 - Rio de Janeiro, RJ
Federative Republic of Brazil
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

PETRÓLEO BRASILEIRO S.A. PETROBRAS
Public Company

PRESS RELEASE

Issue of Debentures Convertible into Preferred Shares

Rio de Janeiro, October 29, 2003 PETRÓLEO BRASILEIRO S/A PETROBRAS, [Bovespa: PETR3/PETR4, NYSE: PBR/PBRA, Latibex: XPBR/XPBRA], a Brazilian international energy company, announces that its Board of Directors at a meeting held on October 29, 2003, approved the convening of an Extraordinary General Shareholder s Meeting to decide on the issue of debentures with the right of conversion to preferred shares, for public placement solely in Brazil, up to a maximum amount of R\$ 300,000,000.00 (three hundred million Reais). The conversion ratio and other conditions will be determined at said Meeting.

The intended issue will be acquired by an investment fund, which will be created by Caixa Econômica Federal, although the Company s existing shareholders are assured any preemptive subscription rights.

This fund will be composed exclusively of the debentures proposed above and will be directed at promoting investments by small and medium sized investors who do not typically invest in the equity market. Petrobras aims to continue the process of dispersing and diversifying its investor base, creating conditions for a future reduction of its cost of funding.

To promote investment in the fund, the intention is to permit periodic draws of existing shares of the Company for up to 2% of the fund value among the fund participants.

This issue is not part of the program of debentures convertible into preferred shares and approved by the Extraordinary General Shareholder s Meeting held on June 10, 2002.

Notwithstanding due publication of the Convening Notices relative to the Extraordinary General Shareholder s Meeting, we wish to inform that said Meeting will be held on November 21, 2003, at 11 a.m. in the auditorium of the Company s Head Office at Avenida República do Chile, 65, 1st floor in the city of Rio de Janeiro (RJ).

Should the General Shareholders Meeting approve the referred issue of convertible debentures, the Company will announce the terms under which the operation will be concluded as soon as those terms are established.

Rio de Janeiro, October 29, 2003.
PETRÓLEO BRASILEIRO S.A. PETROBRAS

José Sergio Gabrielli de Azevedo
CFO and Investor Relations Director

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

Contacts:

Petróleo Brasileiro S.A. PETROBRAS
Investor Relations Department
Luciana Bastos de Freitas Rachid Executive Manager
E-mail: petroinvest@petrobras.com.br
Av. República do Chile, 65 - 4th floor
20031-912 Rio de Janeiro, RJ
(55-21) 2534-1510 / 2534-9947

This document may contain forecasts that merely reflect the expectations of the Company's management. Such terms as anticipate, believe, expect, forecast, intend, plan, project, seek, should, along with similar or analogous expressions, are used to forecasts. These predictions evidently involve risks and uncertainties, whether foreseen or not by the Company. Therefore, the future results of operations may differ from current expectations, and readers must not base their expectations exclusively on the information presented herein.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: October 29, 2003

PETRÓLEO BRASILEIRO
S.A--PETROBRAS

By: */s/* José Sergio Gabrielli de
Azevedo

**José Sergio Gabrielli de
Azevedo
Chief Financial Officer
and Investor Relations
Director**

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements. These statements are statements that are not historical facts, and are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results of operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

ease losses, as well as certain specified equity and capital ratios.

The Revolving Credit Agreement also contains events of default customary for agreements of this type, including, among other things, payment and covenant breaches; insolvencies of the Company and certain subsidiaries; change of control; certain subsidiaries cease to be insured by the FDIC; or the FDIC or other regulatory authority

takes disciplinary or remedial action against the Company or certain of its subsidiaries. If an event of default occurs, the Lender may terminate the Revolving Credit Agreement, declare the obligations outstanding under the agreement to be immediately due and payable, and exercise any remedies in any of the other agreements entered into in connection with the Revolving Credit Agreement (including the Pledge Agreement discussed below), and may terminate its obligation to make loans under the agreement.

On December 16, 2005 the Company also entered into a Pledge Agreement, as pledgor, with SunTrust Bank, as secured party (the Pledge Agreement), attached hereto as Exhibit 99.2 to secure repayment of all Company obligations under the Revolving Credit Agreement. Under the Pledge Agreement the Company has initially pledged 605,000 of the 1,200,000 outstanding shares of capital stock of the Company's wholly owned subsidiary, Cadence Bank, N.A. (Cadence) and covenanted to pledge shares of Cadence having a book value of not less than \$75,000,000 at all times during the availability period.

The above description of the Revolving Credit Agreement and the Pledge Agreement is a summary and is qualified in its entirety by the Revolving Credit Agreement and the Pledge Agreement, copies of which are attached as exhibits to this report.

Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.

(a) The information set forth above and referenced under Item 1.01 is incorporated by reference into this Item 2.03.

Item 9.01. Financial Statements and Exhibits

(d) The following items are filed as exhibits to this report:

99.1 Revolving Credit Agreement between NBC Capital Corporation and SunTrust Bank dated December 16, 2005.

99.2 Pledge Agreement between NBC Capital Corporation and SunTrust Bank dated December 16, 2005.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

NBC CAPITAL CORPORATION

(Registrant)

Date: December 16, 2005

/s/ Richard T. Haston

Richard T. Haston
Executive Vice President; Chief Financial Officer; Treasurer

Index to Exhibits

Exhibit No.	Description
99.1	Revolving Credit Agreement between NBC Capital Corporation and SunTrust Bank dated December 16, 2005.
99.2	Pledge Agreement between NBC Capital Corporation and SunTrust Bank dated December 16, 2005.