PETROBRAS - PETROLEO BRASILEIRO SA Form 6-K September 20, 2011

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

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

For the month of September, 2011

Commission File Number 1-15106

PETRÓLEO BRASILEIRO S.A. - PETROBRAS

(Exact name of registrant as specified in its charter)

Brazilian Petroleum Corporation - PETROBRAS

(Translation of Registrant's name into English)

Avenida República do Chile, 65 20031-912 - Rio de Janeiro, RJ Federative Republic of Brazil (Address of principal executive office)

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

Form 20-F	X	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	Х	

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This report on Form 6-K is incorporated by reference in the Registration Statement on Form F-3 of Petróleo Brasileiro -- Petrobras (No. 333-163665).

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Lula-Mexilhão Gas Pipeline starts operation in Santos Basin

Rio de Janeiro, September 19, 2011, Petróleo Brasileiro S.A. – Petrobras announces that last Friday (9/16) the Lula-Mexilhão Gas Pipeline, which connects Lula field to the Mexilhão platform, started operation. With flow capacity of up to 10 million m3 per day, the gas pipeline will transport the gas produced by the Pre-Salt Region of Santos Basin.

The gas pipeline is 216 kilometers long, 18 inches in diameter and has an operating pressure of 250 bar (pressure unit), connecting the Cidade Angra dos Reis platform to the Mexilhão platform.

The project, besides allowing natural gas flow from the platforms destined to the development of the first phase of the Santos Basin Pre-Salt, will also afford greater flexibility in the gas supply to the domestic market.

The Lula-Mexilhão gas pipeline was interconnected to the following facilities of Petrobras: (i) the gas pipeline that connects Mexilhão field to the Monteiro Lobato Gas Treatment Unit (UTGCA), installed in Caraguatatuba (SP); and (ii) the Caraguatatuba-Taubaté gas pipeline, which connects the gas processed at the Monteiro Lobato UTGCA to the natural gas distribution network for the domestic market.

Lula field is being developed by a Consortium composed of Petrobras (65% - Operator), in partnership with BG Group (25%) and Galp Energia (10%).

www.petrobras.com.br/ri/english

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This document may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) that merely reflect the expectations of the Company's management. Such terms as "anticipate", "believe", "expect", "forecast", "intend", "plan", "project", "seek", "should", along with similar or analogous expressions, are used to identify such forward-looking statements. These predictions evidently involve risks and uncertainties, whether foreseen or not by the Company. Therefore, the future results of operations may differ from current expectations, and readers must not base their expectations exclusively on the information presented herein.

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: September 19, 2011
PETRÓLEO BRASILEIRO S.A--PETROBRAS

By: /s/ Almir Guilherme Barbassa

Almir Guilherme Barbassa Chief Financial Officer and Investor Relations Officer

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (Securities Act), and Section 21E of the Securities Exchange Act of 1934, as amended (Exchange Act) that are not based on historical facts and are not assurances of future results. These forward-looking statements are based on management's current view and estimates of future economic circumstances, industry conditions, company performance and financial results. The words "anticipates", "believes", "estimates", "expects", "plans" and similar expressions, as they relate to the company, are intended to identify forward-looking statements. Statements regarding the declaration or payment of dividends, the implementation of principal operating and financing strategies and capital expenditure plans, the direction of future operations and the factors or trends affecting financial condition, liquidity or results o f operations are examples of forward-looking statements. Such statements reflect the current views of management and are subject to a number of risks and uncertainties. There is no guarantee that the expected events, trends or results will actually occur. The statements are based on many assumptions and factors, including general economic and market conditions, industry conditions, and operating factors. Any changes in such assumptions or factors could cause actual results to differ materially from current expectations.

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