

**EQUATORIAL ENERGIA S/A**  
**Corporate Taxpayer's ID (CNPJ/MF): 03.220.438/0001-73**  
**Company Registry (NIRE) 2130000938-8**  
**Publicly-Held Company**

**MINUTES OF THE BOARD OF DIRECTORS' MEETING**  
**HELD ON OCTOBER 25, 2012**

**DATE, TIME AND VENUE:** On October 25, 2012, at Equatorial Energia's ("Company") branch in the city of Rio de Janeiro, located at Avenida Borges de Medeiros, 633, Gr. 708, Leblon, Offices Shopping Leblon, CEP 22430-041, at 9:00 a.m.

**CALL NOTICE:** Call dismissed in accordance with art. 16, third paragraph of the Company's Bylaws, given the presence of all members of the Company's Board of Directors, Firmino Ferreira Sampaio Neto, Carlos Augusto Leone Piani, Gilberto Sayão da Silva, Alessandro Monteiro Morgado Horta, Paulo Jerônimo Bandeira de Mello Pedrosa, Celso Fernandez Quintella and Alexandre Gonçalves Silva.

**PRESIDING BOARD:** Chairman – Carlos Augusto Leone Piani; Secretary – David Abdalla Pires Leal.

**AGENDA:** To deliberate about: **(i)** the completion of public offering of the initial distribution of common shares issued by the Company, all nominative, registered, without par value, free and clear of any liens or encumbrances ("Shares"); **(ii)** granting authorization for the Company's Executive Board to make all arrangements and to execute all acts necessary for the Offering completion referred to in item "i" above, and ratification of the acts already performed; **(iii)** the exclusion of the preemptive rights of the Company's shareholders to subscribe for shares in the capital increase relating to the offering mentioned in item "i" above, and **(iv)** the granting to the holders of the shares to be issued in the context of the offering referred to in item "i" above the same rights conferred by Law n. 6,404, of December 15, 1976, as amended ("Law of Corporations") and the Company's Bylaws ("Bylaws") to existing shares, including with regards to dividends and to other benefits declared after the settlement date of the Shares or Supplementary Shares, as applicable.

**Resolutions approved by unanimous vote:** The Board Members approved by unanimous vote and without any restrictions:

- (i)** to approve the completion of public offering including the initial distribution of common shares issued by the Company, in Brazil, under the coordination of Banco BTG Pactual S.A. ("Lead Manager"), Banco Itaú BBA S.A. ("Itaú BBA"), Banco Bradesco BBI S.A. ("Bradesco BBI") and Goldman Sachs do Brasil Banco Múltiplo S.A. ("Goldman Sachs") and, together with the Lead Manager, Itaú BBA and Bradesco BBI, "Offering

Coordinators") in non-organized OTC market, through the simplified procedure for registration of public offerings of securities ("Simplified Procedure") established by CVM Instruction 471 dated August 8, 2008 ("CVM Instruction 471") and the agreement for adoption of the Simplified Procedure signed between CVM and ANBIMA - Brazilian Association of Financial and Capital Markets ("ANBIMA") in accordance with CVM Instruction No. 400, of December 29, 2003, as amended ("CVM Instruction 400") and other applicable legal provisions, with placement efforts abroad, by BTG Pactual U.S. Capital LLC, by Itau BBA USA Securities Inc., by Bradesco Securities, Inc. and by Goldman, Sachs & Co. (collectively, "International Placement Agents"), solely to qualified institutional buyers, as defined in Rule 144A, issued by the Securities and Exchange Commission of the United States of America ("SEC"), in transactions exempt from registration in accordance with the provisions of the U.S. Securities Act of 1933, as amended ("Securities Act"), and in the regulations issued under the Securities Act, and, in all other countries except for Brazil and the United States of America, for institutional investors and other investors, in accordance with the procedures laid down in Regulation S, enacted by the SEC under the Securities Act, respecting the law of the country of domicile of each investor, in any case, through investment mechanisms regulated by the Monetary National Council ("Conselho Monetário Nacional"), by the Central Bank of Brazil ("Banco Central do Brasil") and CVM ("Offer"). The Public Offering should be conducted according to the following conditions: (a) pursuant to Article 24 of CVM Instruction No. 400, the total number of Shares initially offered (excluding the Additional Shares, as defined below) may be increased by a lot up to 15% (fifteen percent) on the same conditions and price of the Shares initially offered ("Supplementary Shares") as option to be granted by the Company to the Lead Manager, which will be designed to meet any demand excess that may be verified during the Offering ("Supplementary Share Option"); (b) pursuant to Article 14, paragraph 2, of CVM Instruction 400, the total number of Shares initially offered (excluding the Supplementary Shares) may, at the discretion of Fundo de Investimento em Participações PCP ("Selling Shareholder"), in agreement with the Offering Coordinators, be increased by up to 20% (twenty percent) of common shares issued by the Company and held by the Selling Shareholder under the same conditions and price of the Shares initially offered ("Additional Shares"); (c) in line with the provisions of Article 170, Paragraph 1, Item III of the Law of Corporations, the price per share will be determined after completion of the investment intentions collection procedure to be conducted with institutional investors by the Offering Coordinators, as provided in Article 44 of CVM Instruction 400 ("Bookbuilding Procedure"). Under Article 170, Paragraph 1, Item III of the Law of Corporations, the choice of the criteria for determining the price per share is justified by the fact that the price per share will not promote unjustified dilution of the Company's shareholders and the Shares will be distributed through a public offering, wherein the market value of the Shares will be measured using the price of the common shares issued by the Company on BM&FBOVESPA S.A. – Bolsa de Valores, Mercadorias e Futuros ("BM&FBOVESPA") and the outcome of the Bookbuilding Procedure as parameters. The price per share will be set prior to granting registration of the Offering by CVM and will be approved by the Company's Board of Directors; and (d) gets approved

the possible conduction of activities to stabilize the price of the shares issued by the Company in the Offering, as applicable in CVM regulation;

- (ii) to authorize the Company's Executive Board to make all arrangements and to execute all acts necessary for the Offering completion, in particular, the powers to represent the Company before CVM, ANBIMA - Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais and BM&FBOVESPA S.A. - Bolsa de Valores, Mercadorias e Futuros, that may execute or cause the execution of, when necessary, any acts and/or to negotiate and to sign any contracts, communications, notices, certificates, documents or instruments necessary or appropriate to the Offering, including hiring institutions to act as an intermediary ones in the Offering, the signing of all documents that may be necessary, including, among others, the Coordination Agreement, Placement Agreement, Firm Commitment for Equatorial Energia S.A.'s Common Shares Settlement Agreement, *Placement Facilitation Agreement*, Stabilizing Price of Equatorial Energia S.A.'s Common Shares Services Contract, services contract with BM&FBOVESPA, as well as any amendment to such documents, and ratify all acts already executed by the Company's executives for the purposes described in this item "ii
- (iii) to approve the exclusion of the preemptive rights of the Company's shareholders to subscribe for shares in the capital increase relating to the offering; and
- (iv) to approve the granting to the holders of the Shares and the Additional Shares to be issued in connection with the Offering the same rights conferred by the Law of Corporations and by the Bylaws to the existing Shares to existing shareholders of the Company including with regard to dividends and other benefits declared after the settlement date of the Shares or Supplementary Shares, as applicable.

**Closing:** There being no further business to discuss, the meeting was adjourned for the drawing up of these minutes, which were read, approved and signed by all the undersigned members. Signatures: Presidente, Carlos Augusto Leone Piani; Secretário, David Abdalla Pires Leal. Conselheiros: Carlos Augusto Leone Piani, Gilberto Sayão da Silva, Alessandro Monteiro Morgado Horta, Alexandre Gonçalves da Silva, Celso Fernandez Quintella, Firmino Ferreira Sampaio Neto e Paulo Jerônimo Bandeira de Mello Pedrosa.

I certify that this is a true copy of the Minutes.

Rio de Janeiro, October 25, 2012

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David Abdalla Pires Leal

Secretary