



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

**MINUTES OF THE ANNUAL AND EXTRAORDINARY GENERAL MEETING
HELD ON OCTOBER 16, 2008**

1. **DATE, TIME AND PLACE**: On October 16, 2008, at 10:00 a.m., at the headquarters of Equatorial Energia S.A. ("Company"), in the city of São Luís, state of Maranhão, at Alameda A, Quadra SQS, 100, Anexo A, Loteamento Quitandinha, Altos do Calhau, CEP 65.071-680.
2. **QUORUM**: Shareholders representing 68.42% of voting shares attended the meeting.
3. **PRESIDING BOARD**: **Chairman**: Carlos Augusto Leone Piani; **Secretary**: José Silva Sobral Neto.
4. **DOCUMENTS FILED WITH THE HEADQUARTERS**: Draft of the Company's Third Stock Option Plan.
5. **AGENDA**: As per Call Notice published in Official Gazette of State of Maranhão, in O Estado do Maranhão and in Valor Econômico newspapers, in the issues of October 1, 2 and 3, 2008, pursuant to Article 124 of Law 6404/76: **(i)** to approve third stock option plan to be granted to the Company's managers and employees("Third Plan"), authorizing the Company's management to carry out all acts and to sign all documents necessary to the creation and implementation; and **(ii)** to elect an independent member for the Company's Board of Directors, pursuant to the Bylaws and Bovespa's Novo Mercado Rules.
6. **RESOLUTIONS**: The meeting was opened and, pursuant Article 128 of Law 6404/76, the attending shareholders appointed Mr. Carlos Augusto Leone Piani be the chairman of the Presiding Board and Mr. José Silva Sobral Neto to be the secretary of the meeting, and the following resolutions were approved by unanimous vote, except for item 6.2, which was approved by majority decision.

This page is an integral part of the Minutes of the Extraordinary General Meeting of Equatorial Energia S.A. held on October 16, 2008.

- 6.1** The drawing up of the minutes of this Annual and Extraordinary General Meeting in the summary format and their publication with the omission of the shareholders' signature was approved, pursuant to Article 130 and paragraphs of Law 6,404.
- 6.2** The creation of a Stock Option Plan ("Third Plan") through which the Company's managers and employees and the managers and employees of companies under its control, shall opt to subscribe the maximum total number of four million (4,000,000) common shares issued by the Company, complying with the terms and conditions that comprise the document which is made an integral part hereof attached as Annex I, certified by the Presiding Board, and it is important to highlight that other Stock Option Plans previously approved by the Company are maintained;
- 6.3** The authorization for the Company's management to carry out all necessary acts to formalize and implement the Third Plan then approved, including, but not limited to, the execution of stock option agreements with the respective beneficiaries of the Third Plan;
- 6.4** Mr. **Celso Fernandez Quintella**, Brazilian, married, mechanical engineer, identity card 18341-D, issued on 10/21/2007, by CREA-5ª Região, Rio de Janeiro, and individual taxpayer's register (CPF/MF) 022.752.447-00, was elected as an independent member of the Company's Board of Directors for a term of office up to the annual general meeting held to examine the accounts of the year of 2008;
- 6.5** There being no further matters to discuss, these minutes were drawn up, which, after being read and approved, were signed by all those attending the meeting.

7. SIGNATURE OF THE ATENDING SHAREHOLDERS: Chairman: Carlos Augusto Leone Piani; Secretary: José Silva Sobral Neto.

SHAREHOLDERS:

PCP LATIN AMERICA S.A. Represented by Armando de Souza Nascimento;
FIDELITY INVESTMENT TRUST: LATIN AMERICA FUND, FIDELITY LATIN AMERICA FUND, FIDELITY ADVISOR SERIES VIII: LATI, BLACKROCK GLOBAL FUNDS, MERRILL LYNCH LATIN AM

This page is an integral part of the Minutes of the Extraordinary General Meeting of Equatorial Energia S.A. held on October 16, 2008.

INVESTMENT TST, FIDELITY FUNDS - LATIN AMERICA FUND, STATE STREET EMERGING MARKETS, MASSACHUSETTS FINANCIAL SERVICES COMPANY, THE STATE TEACHERS RETIREMENT SYSTEM OF OHIO, AIM DEVELOPING MARKETS FUND, AIM INTERNATIONAL EMERGING GROWTH FUND, JANUS OVERSEAS FUND, JANUS INSTITUTIONAL INTERNATIONAL EQUITY PORTFOLIO, JANUS ADVISER INTERNATIONAL GROWTH FUND, JANUS ASPEN SERIES - INTERNATIONAL GROWTH PORTFOLIO, JANUS ADVISER INTERNATIONAL EQUITY FUND, WASATCH EMERGING MARKETS SMALL CAP FUND, THE STATE OF NEW JERSEY COMMON PENSION FUND D, JANUS CAPITAL MANAGEMENT LLC, MFS INTERNATIONAL NEW DISCOVERY FUND, BRITISH COAL STAFF SUPERANNUATION SCHEME and THE ROYAL BANK OF SCOTLAND PLC AS DEPOSITARY OF FIRST STATE GLOBAL EMERGING MARKETS Represented by **Clóvis L. S. Purgato, Mesquita Pereira, Marcelino, Almeida, Esteves Advogados.**

CERTIFICATE

This is a free English translation of the original instrument drawn up in the Company's records

José Silva Sobral Neto, Attorney OAB/MA 7762
Secretary

THIRD STOCK OPTION PLAN OF EQUATORIAL ENERGIA S/A

1. OBJECTIVES OF THE PLAN

1.1. The objectives of the Third Stock Option Plan of EQUATORIAL ENERGIA S/A (“Company”), established pursuant to article 168, § 3rd, of Law 6.404/76, and hereby solely designated as THIRD PLAN, are as follow:

a) to encourage the expansion, success and attainment of the Company’s corporate objectives and its shareholders interests, allowing its managers and employees, as well as the managers and employees of the companies under its control, to acquire Company’s shares, under the terms and conditions, and in the form provided for in the THIRD PLAN, thus encouraging their integration to the Company;

b) to enable the Company and companies under its control to obtain and maintain high level executive services, offering to these executives, as an additional advantage, the possibility to become shareholders of the Company, pursuant to the THIRD PLAN.

2. PLAN MANAGEMENT

2.1. THIRD PLAN will be managed by a Committee composed by three (3) members; all of them are necessarily members of the Company’s Board of Directors, except those Board Members who also hold positions in the Company’s Board of Executive Officers. These Committee’s members shall not be able to take part in stock options which are object of the THIRD PLAN.

2.2 The Committee will have broad powers, observing the basic THIRD PLAN terms and conditions and the guidance of the Company’s Board of Directors for its organization, taking all necessary and appropriate measures to its management. The Committee shall have powers, among others, to establish the appropriate rules for the grating of options, each year, by means of the STOCK OPTION PROGRAM, pursuant to item 2.4 bellow.

2.3 The Committee shall periodically appoint persons who present conditions to be selected as THIRD PLAN participants, to whom the stock options foreseen in the THIRD PLAN will be granted, and also the number of shares which is object of the option, always within the limit herein forecasted.

2.4. The Committee shall periodically create STOCK OPTION PROGRAMS, in which will be defined the persons to whom the THIRD PLAN options shall be granted, the number and type of the Company’s shares that shall be entitled to subscription with the stock option exercise, the maximum term for the option exercise, the eventual scheduling of the granted options in batches subjected to minimum terms and any restrictions to the shares received by the option exercise and provisions on penalties.

2.5. The Committee may, at any time, anticipate or extend the final term for the option(s) exercise of the STOCK OPTION PROGRAM in force, as well as anticipate the initial date and extend the final date of the option(s) exercise in batches, if any.

This page is an integral part of the Minutes of the Extraordinary General Meeting of Equatorial Energia S.A. held on October 16, 2008.

3. ELIGIBLE EXECUTIVES

3.1. The managers and employees of the Company and the companies under its control, especially Companhia Energética do Maranhão – CEMAR (“CEMAR”) and Light S/A (“Light”), are eligible to participate in the THIRD PLAN. The Committee shall choose, for each program, those who shall be entitled to the option granting.

4. SHARES INCLUDED IN THE PLAN

4.1. The shares subscription options to be offered, pursuant to the THIRD PLAN, shall represent the maximum of four million (4,000,000) Company’s shares. Once the option is exercised by the interested persons, the aforementioned shares shall subject to issuance by means of the Company’s capital increase, within the limits of the authorized capital provided for in the Bylaws. Existing treasury shares call options, under CVM’s previous approval, can also be offered.

4.2. The shareholders, pursuant to article 171, § 3, of Law 6,404/76, shall not be entitled to preemptive rights when the THIRD PLAN is implemented or to exercise the THIRD PLAN’s call options.

5. ACQUISITION PRICE

5.1. The price of the shares to be acquired or subscribed by the beneficiaries due to the option exercise shall be determined by the Committee and shall be equivalent to the price of, at least, 90% (ninety per cent) of the weighted average of one common share of the Company in the São Paulo Stock Exchange - BOVESPA in the period of, at least, 30 days, and, at most, 180 days from the date in which the respective option is granted, and the mentioned amount can be added, under Committee’s criterion, with monetary correction based on the variation of the Extended Consumer Price Index – IPCA, calculated by the Brazilian Institute of Geography and Statistics – IBGE (“IPCA/IBGE”), or other index with an equivalent determination base, which may be chosen by the Committee, if the aforementioned index is no longer available or applicable, within the lower periodicity allowed by law, between the execution date and the effective exercise date of the options.

5.2. If, within the period of the average determination above mentioned, the Company’s shares amount in Bovespa is changed due to the payment of interests on equity and/or dividends, the mentioned average shall be adjusted in such a way to disregard the payment of said amounts, except if the shares to be granted to the beneficiaries also provide to the beneficiaries the right to receive the interests on equity and/or dividends which may result in the change of the shares price.

5.3. The share price shall be paid in cash by the beneficiaries of the call option, observing the conditions set forth in items 5.4, 5.5 and 5.6 bellow.

5.4. Except otherwise decided by the Committee, the beneficiaries shall use at least fifty per cent (50%) of the Profit Sharing, Performance Bonus amount or any other form of annual variable remuneration (“PL”) to those entitled to them, net of income tax and other pertinent charges, in the subscription of the shares comprising the batches whose option has already been granted and which are not exercised yet. The option beneficiary who does not use its PL in the form provided in this item shall not be entitled to exercise the option on all shares of the batch, whose exercise This page is an integral part of the Minutes of the Extraordinary General Meeting of Equatorial Energia S.A. held on October 16, 2008.

period comprises the year (or part of the year) in which the PL is paid to the beneficiaries, unless if such beneficiary has already subscribed at the payment of PL, at least the number of shares which are object of its respective option, which he may have subscribed with the amount corresponding to the PL percentage above mentioned with own resources (excluding those shares computed for this same purpose in previous years), always considering PL availability by the beneficiary of the option.

5.5. In addition to the PL above mentioned, the beneficiaries shall use the total of the dividends and interests on own capital received and relative to the shares of its ownership, according to THIRD PLAN terms in the subscription of the shares offered in the batches whose option has already been granted.

5.6. After the term mentioned in item 7.1 below, the beneficiaries may notify the Company stating their intention to sell, immediately after the exercise of their options, all or part of the shares to be subscribed, in stock exchanges, and in such case the payment of the subscription price of the shares to be sold in stock exchange shall take place under the issue by the beneficiary (in benefit of the Company) of a promissory note with due date in the first working day after the financial settlement of the sale transaction.

6. TERMS E CONDITIONS OF THE OPTION

6.1. The terms and conditions of each option granted according to THIRD PLAN shall be set forth in the Agreement for the Granting of Stock Option (“Option Agreement”), executed by the beneficiary, defining, among other conditions:

a) the number and type of shares that shall be granted with the option exercise and payment terms of the shares;

b) the option term and dates in which the total or partial exercise of the option and all resulting rights shall expire. The option may expire in advance in the cases provided for in this THIRD PLAN;

c) the rules about the restrictions relative to the transfer of the shares received by the option exercise and provisions on penalties, that are determined by the Committee, so that the option is exercised by the respective holder within its lifetime, and it shall not be transferred to third parties, except as provided for in will or by succession effect, observed the terms established in the agreements;

d) any other terms and conditions which are not contrary to the THIRD PLAN.

6.1. The beneficiaries of the THIRD PLAN shall be subjected to the restrictive rules regarding insider trading applicable to publicly-held companies in general and rules eventually set forth by the Company, without limiting the trading of their shares according to THIRD PLAN rules and CVM Rule 358.

7. SHARES DISPOSAL

7.1. Unless otherwise decided by the Committee, the shares holder may only sell, transfer, or otherwise, dispose the Company’s shares originally subscribed or acquired according to the THIRD PLAN, as well as those which may be acquired by him as a result of bonuses, splitting, This page is an integral part of the Minutes of the Extraordinary General Meeting of Equatorial Energia S.A. held on October 16, 2008.

subscriptions or any other type of acquisition (“Shares”) after t two (2)-year from the approval date of the THIRD PLAN by the Shareholders General Meeting.

7.2. The Share Holder shall not sell, encumber and establish any encumbrance on the shares subscribed under the THIRD PLAN before the term mentioned in the previous item.

8. PERMANENCE IN THE POSITION

8.1. No provision of the THIRD PLAN or option granted by the THIRD PLAN shall give any option holder rights regarding its permanence as a Company’s executive or employee and as an executive or employee of the companies under the Company’s control and no provision shall, in any case, interfere in the Company’s and the companies under its control’s rights to terminate the mandate of the manager or the labor agreement.

9. MATURITY OF THE LABOR AGREEMENT OR MANDATE

9.1. If, due to any reason, the employment relationship or the manager’s mandate is terminated, except in the case of death or permanent disability of the holder of the option, the following provisions shall apply:

a) In the cases of dismissal with cause and/or resignation of the manager or employee, as defined in the corporate and labor legislation, in the period up to 2 years after the approval date of the THIRD PLAN by the Shareholders General Meeting, the Company shall have, within sixty (60) days from the termination date of employment relationship or mandate, the option to acquire from the beneficiary all its Shares, as defined in item 7 above, for the lowest price between (i) the total of the amount already paid by the beneficiary in the subscription or acquisition of Shares, restated by IPCA/IBGE, within the lower periodicity set forth by law; and (ii) the Market Price, as defined in item 9.2 below. The options which, at the time of the employment relationship or mandate termination, have been granted and not exercised, or which are not subject to exercise, shall be extinct.

b) In the cases of unfair dismissal and/or resignation of the manager or employee, as defined in the corporate and labor legislation, the Shares which have already been subscribed pursuant to the THIRD PLAN may be loosely disposed in the stock exchange or privately, without period restriction in relation to Clause 7 above. The options which, at the time of the employment relationship or mandate termination, have already been granted and not exercised, or which are not yet subject to exercise, shall be extinct.

c) In the cases of request for resignation or dismissal of the manager or employee or his retirement, the Shares which have already been subscribed pursuant to the THIRD PLAN may be loosely disposed in the stock exchange or privately, without period restriction in relation to Clause 7 above. The options which, at the time of the employment relationship or mandate termination, have already been granted and not exercised, or which are not yet subject to exercise, shall be extinct.

9.2. For the purpose of the application of the provisions of this item, Market Price is understood as the weighted average of the Company’s share price in a stock exchange in the period of 30 days as from the event date that sets the termination of the labor agreement.

This page is an integral part of the Minutes of the Extraordinary General Meeting of Equatorial Energia S.A. held on October 16, 2008.

10. DEATH OR PERMANENT DISABILITY

10.1. In the case of death or permanent disability of the beneficiary, the rights arising from the option shall be extended to his heirs and successors and the options may be exercised, observing the following provisions:

- a) the options whose initial grace period have not elapsed shall have their early terms so that they may be exercised by the beneficiary or his heirs and successors, as the case may be, in the terms established in item (b) below;
- b) the options whose initial grace period have already elapsed may be exercised for a one (1)-year term as from the death date or permanent disability date or for the period provided for in the option agreement, prevailing the longest period;
- c) the option may be exercised in whole or in part, with cash payment, observing the provisions of item 5.6 above, the right to the shares shall be shared among heirs or successors, as provided for in will or as set forth in the respective probate.

10.2 The shares that shall be subscribed by the beneficiary's heirs or successors of shall be free and cleared for sale at any time, and therefore, it is not applicable the period restriction referred to in Clause 7 above.

11. RIGHTS LIMITATION FOR OPTION HOLDERS

11.1. No holder of an option granted by the THIRD PLAN shall be entitled to any Company's shareholders right and privilege in relation to any capital portion due to the execution of the option agreement, except those mentioned in this THIRD PLAN. No share shall be granted to the holder due to the option exercise, unless all legal and regulatory requirements have been fully complied with.

11.2. Since the requirements relative to the option exercise have been fully complied with and since the price referred to in Clause 5 above is paid, the beneficiary shall be entitled to all rights arising from the subscribed shares pursuant to this THIRD PLAN.

12. BOARD OF DIRECTORS' POWERS

12.1. The Company's Board of Directors may, at any time, amend or extinguish THIRD PLAN or even set forth the regulation applicable to neglectful cases. The Board of Directors may not amend the provisions regarding the eligibility for taking part in THIRD PLAN and no amendment or extinction of the THIRD PLAN may, without the consent of the holder, amend or jeopardize any rights or liabilities of any existing Agreement on the stock option.

13. AJUSTMENTS

13.1. If the existing Company's shares are increased or reduced in number or exchanged by different classes and types of shares, as a result of stock dividends, grouping or splitting, the appropriate adjustments shall be carried out in the number of shares to which the options have been granted and not exercised, as well as to options not yet granted. Any adjustments in the options shall be carried out without changing the purchase amount applicable to the non-exercised This page is an integral part of the Minutes of the Extraordinary General Meeting of Equatorial Energia S.A. held on October 16, 2008.

portion of the option, including the adjustment corresponding to the price per each share or share unit covered by the option.

13.2. In the case of the Company's winding-up, transformation, takeover, merger, spin-off or reorganization, in which the Company is not the remaining company, or in the case of purchase or sale or transfer of ownership of more than eighty per cent (80%) of the Company's existing shares to any other company, the THIRD PLAN shall terminate and any option so far granted shall be extinguished, unless it is established, in writing, in connection with such operation (and when reasonable), the permanence of the THIRD PLAN and the options assumption so far granted with the replacement of the referred options by new options, and the successor Company or its affiliated or subsidiary shall take on the appropriate adjustments in the number, type and price of the shares, and in this case the THIRD PLAN shall continue the foreseen form.

13.3. The adjustments pursuant to item 13.2 above shall be carried out by the Committee, and such decision shall be final and binding. Any share fraction shall be sold or issued pursuant to the THIRD PLAN or any of these adjustments.

13.4 The price of option exercise not exercised shall be deduced from the dividends and interests on equity amounts paid by Company.

14. EFFECTIVE DATE AND MATURITY OF THE PLAN

14.1. THIRD PLAN shall take effect upon its approval by the Company's General Meeting and it may be terminated, at any time, upon decision of the Company's Board of Directors, without adverse effect to the prevalence of the restrictions to share trading.

15. MANDATE

15.1. For the perfect execution of the provisions of the THIRD PLAN and the Option Agreement, the beneficiaries appoint the Company as their attorney-in-fact, on an irrevocable and irreversible basis, granting the Company the powers to execute all necessary acts, including to delegate.

16. SUPPLEMENTARY LIABILITIES

16.1. In addition to the liabilities agreed in the Option Agreement, the parties entirely and fully undertake to comply with the conditions of the THIRD PLAN and supplementary documents. The execution of the Option Agreement shall imply in the express acceptance of all terms of the THIRD PLAN and Option Agreement by the beneficiary.

17. PENALTY

17.1. The party that violates any of the liabilities set forth in the THIRD PLAN and/or in the Option Agreement, shall pay to the innocent party, in addition to the amount that said party has originally agreed to pay, a injunctive penalty, non-compensatory and irresolvable in the total amount equivalent to ten per cent (10%) of the total amount of subscribed Shares, as well as all and any in-court and out-of-court expenses in which the innocent party may incur, including the lawyers' fees of twenty per cent (20%) over the amount demanded if and when there is filing of any lawsuit.

This page is an integral part of the Minutes of the Extraordinary General Meeting of Equatorial Energia S.A. held on October 16, 2008.

18. EXECUTION

18.1. The liabilities set forth in the THIRD PLAN and in the Option Agreement are accepted on an irrevocable basis, being considered as extrajudicial enforcement instrument pursuant to the terms of civil procedural law, enforcing the contractual parties and their successors to any title and all the time. The parties establish that such obligations have specific performance, in the form of the articles 639 and subsequent articles of the Code of Civil Procedure.

19. ASSIGNMENT

19.1. The rights and liabilities resulting from the THIRD PLAN and the Option Agreement shall not be assigned or transferred, in the whole or in part, by any beneficiary or by the Company, and nor they shall be given as liability guarantee, without the previous and expressed consent of the Company and/or the beneficiary, as the case may be.

20. RENEWAL

20.1. It is expressly agreed herein that it shall not be considered as a renewal the abstention of any party from the exercise of any right, power, resource or permission ensured by law, by the THIRD PLAN or by the Option Agreement, nor any tolerance of delay in the fulfillment of any liability by any party, which shall not prevent the other party, at its solely discretion, of exercising at any time these rights, powers, resources or permissions, which are cumulative and not exclusive in relation to the law.

21. ANNOTATION

21.1. The wording of the Option Agreement shall be annotated in the Company's corporate registry, for all the purposes of article 118 of Law 6.404/76.

22. JURISDICTION

22.1. The jurisdiction of the city of São Paulo, in the State of São Paulo, is elected, excluding any other, however privileged it may be, to settle the disputes that may arise in relation to the THIRD PLAN.