



Equatorial Energia S.A.
Publicly-held Company
Corporate Taxpayer's ID (CNPJ/MF): 03.220.438/0001-73

NOTICE TO THE MARKET

Equatorial Energia S.A. ("Equatorial" or "Company") informs its shareholders and the public in general that it has concluded the acquisition of 25% of Geradora de Energia do Norte S.A. ("Geranorte").

Geranorte is the company responsible for implementing and operating the Tocantinópolis and Nova Olinda thermoelectric plants, in the municipality of Miranda do Norte, in the state of Maranhão, with a joint installed capacity of 330 MW, which will provide energy for the National Interconnected System.

In accordance with the Notice to the Market published on April 23, 2008, said acquisition was conditioned on: (i) prior authorization by ANEEL – National Electricity Agency; (ii) the execution of a legal and financial audit by Equatorial in Geranorte; and (iii) the conclusion of negotiations between the parties regarding the binding terms and conditions of the documents regulating the transaction.

Regarding the items above, the Company announces that: (i) Aneel has authorized Equatorial's entry into Geranorte's controlling group, as per the notice published in the *Diário Oficial da União* on September 18, 2008; (ii) the Company has concluded the legal and financial audit in Geranorte; and (iii) the Company has signed the agreements defining the binding terms and conditions of the operation between the parties.

The consortium that retains control of Geranorte comprises Equatorial Energia S.A. (25%), Fundo de Investimentos em Participações Brasil Energia (25%) and GNP S.A. ("GNP") (50%). GNP S.A., in turn, comprises Servtec Investimentos e Participações Ltda. (50%) and Companhia Ligna de Investimentos (50%). Geranorte's control will be shared and governed in accordance with the Shareholders' Agreement.

Authorization for the construction and operation of the Tocantinópolis and Nova Olinda plants was obtained in the A-3 Auction, held in July 2007. In this auction, 240 MW (120 MW from each plant) were sold, ensuring a total fixed annual revenue of approximately R\$136.2 million (around R\$68.1 million for each plant).

The plants will be built by the Finnish Wärtsilä group, under the EPC (Engineering Procurement Construction) system. Each facility will have 19 20V32 power generating turbines, fueled by high-viscosity heavy oil. Construction will begin in November this year, with start-up scheduled for January 2010.

The project will absorb total investments of around R\$500 million, of which Equatorial's share (25%) is R\$125 million. The Company will invest R\$45 million of its own funds and the remainder will be financed by financing lines.

Rio de Janeiro, September 24, 2008.

Leonardo Duarte Dias
Investor Relations Officer
Equatorial Energia S.A.