



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

MATERIAL FACT

Pursuant to Law 6404/76 ("Corporate Law") and CVM Instruction 358 of January 3, 2002, and complementing the Material Facts of November 5, 2007, and January 28, 2008, Equatorial Energia S/A ("Equatorial") hereby informs the Brazilian Securities and Exchange Commission and the public in general that the Extraordinary Shareholders' Meeting of February 12, 2008, approved the following resolutions: (i) the merger of PCP Energia Participações S.A. into the Company ("Merger"); (ii) the conversion of all the Company's preferred shares into common shares; (iii) a reverse split of the Company's common shares in the proportion of 3 (three) current shares for every 1 (one) common share after said reverse split; and (iv) the listing of the Company on the Novo Mercado.

With the approval of the Merger by the shareholders of PCP Energia and the Company, Equatorial now retains a 13.06% indirect interest in Light S/A ("Light") via RME – Rio Minas Energia Participações S/A ("RME"), which, through a shareholders' agreement, shares control of said company, pursuant to articles 224 and 225 of Law 6404/76.

The conversion of all the Company's preferred shares into common shares, the reverse share split and the Company's listing on the Novo Mercado are suspended until said conversion of preferred to common shares is approved by the preferred shareholders at a special meeting, pursuant to article 136, subitem 1 of Law 6404/76, and the conclusion of the period during which preferred shareholders dissenting from said conversion may exercise their withdrawal rights. The Company will issue a call notice for said meeting shortly.

Preferred shareholders opposed to said conversion may exercise their right to withdraw at R\$ 4.1677 per share, based on the Company's shareholders equity on September 30, 2007.

Withdrawal rights may only be exercised: (i) within 30 days as of the publication of the minutes of the special meeting; and (ii) in relation to those preferred shares proven to be held on July 10, 2007, the date of the first Material Fact dealing with the matter in question, excluding transactions effected on said date.

Once the conversion and reverse split of the Company's shares, approved by the Extraordinary Shareholders' Meeting of February 12, 2008, has been effected, the Company's shares will no longer be traded in the form of Units but singly under the trading symbol EQTL3.

São Luís, February 12, 2008.

Equatorial Energia S/A