



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

NOTICE TO SHAREHOLDERS

INTEREST ON EQUITY

EQUATORIAL ENERGIA S.A. (Bovespa: EQTL3, EQTL4, EQTL11 N2), hereby informs its shareholders that, pursuant to the provisions in the Bylaws, the Board of Directors, at a meeting held on December 26, 2007, approved, for submission to the General Shareholders' Meeting, the payment of interest on equity to shareholders, pursuant to article 9 of Law 9429/95 and Decrees 2673/98 and 3381/00. The total amount to be distributed, relative to the fiscal year of 2007, is R\$14,670,000.00 (fourteen million, six hundred and seventy thousand Reais). The gross amounts per share and per UNIT are as follows:

Type	Factor in R\$
Common Share	0.07315
Preferred Share	0.07315
UNIT	0.21944

Payment is subject to the following conditions: **(a)** the withholding of income tax at 15%, except for shareholders who are proven to be exempt from said tax; **(b)** the interest on equity shall be imputed to the mandatory minimum dividends to be paid by the Company for the fiscal year of 2007 and the dividends distributed by the Company for all effects provided under corporate law; **(c)** all shareholders registered as such on December 28, 2007, shall be entitled to receive the interest on equity payment; **(d)** the corresponding credits shall be recorded in the Company's accounting records on December 31, 2007, on behalf of the shareholders, based on their shareholding positions on December 28, 2007; **(e)** shares shall be traded "ex-interest on equity" as of and including January 2, 2008; **(f)** the interest-on-equity payment date shall be determined subsequently, when the payment of dividends for the year ended December 31, 2007, is resolved; said payment will not be subject to monetary restatement or any other remuneration.

Additional information may be obtained from the Company's Investor Relations Department, at Avenida Colares Moreira, 477, Renascença II, São Luís, Maranhão, CEP: 65.075-028; Phone: +55 98 3217-2123/2120; Fax: +55 98 3235-7131.

São Luis, December 27, 2007.

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