



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

**MINUTES OF THE BOARD OF DIRECTORS' MEETING**  
**HELD ON DECEMBER 26, 2007**

**Date, Place and Time:** On December 26, 2007 at the offices of UBS Pactual in São Paulo, at Av. Brigadeiro Faria Lima, 3729, sala 12, 9º andar, at 9:00 A.M.

**Call and Quorum:** Call was waived given the attendance of all members of the Company's Board of Directors.

**Presiding Board:** Chairman: **Firmino Ferreira Sampaio Neto**; and Secretary: **Patrícia Pugas de Azevedo Lima**.

**Resolutions, by unanimous vote:**

- (a) To recognize the resignation of the Board members **Octavio Côrtes Pereira Lopes, Eduardo Alcalay and Ronaldo Iabrudi dos Santos Pereira**, whose terms of resignation shall be filed at the Company's headquarters and shall be forwarded to the knowledge of shareholders at the next meeting in order to elect new Board members;
- (b) To approve the Company's Budget for the 2008 fiscal year, including the Capital Budget, prepared by the Board of Executive Officers and presented on this date to the Board of Directors and, once this document has been initialed by the Presiding Board, it shall be filed at the Company's headquarters;
- (c) To approve, *ad referendum* of the General Meeting (Article 25, paragraph 3 of the Company's Bylaws), the proposal by the Company's Board of Executive Officers for the payment to shareholders of interest on the Company's own capital according to the report issued by the Company's Fiscal Council, pursuant to Article 17, item 'g' of the Bylaws, Law 9,249/95 and CVM Resolution 207/96, in the total amount of fourteen million, six hundred seventy thousand reais (R\$14,670,000.00), subject to a 15% withholding tax, resulting in net interest of twelve million, four hundred sixty-nine thousand, five hundred reais (R\$12,469,500.00), which shall be imputed at the mandatory dividend amount so as to include the amount of mandatory dividends distributed by the Company for all corporate law purposes. It has been registered that credit corresponding to payment of interest on the Company's

own capital shall be recorded in the Company's accounting records on December 31, 2007.

- (d) To grant an aval to the Companhia Energética do Maranhão – CEMAR (“CEMAR”) in relation to resolutions made at CEMAR's Board of Directors' Meeting of held on August 22, 2007 approving a loan from the *International Finance Corporation* (“IFC”) in the amount of one hundred million American dollars (US\$100,000,000.00) to be allocated to finance the Company's investments planned for the years of 2007 to 2009, pursuant to the terms set forth by the Company's Board of Directors as specified above, thus guaranteeing, (i) 58% of the loan amount, that is, forty-six million, four hundred thousand United States dollars (US\$46,400,000.00), until the Brazilian Electricity Regulatory Agency (“ANEEL”) authorizes the payment of receivables to CEMAR as a guarantee for this operation. During this period, the Company shall undertake to keep net funds (cash or marketable securities) at a minimum level equivalent to 50% of the IFC loan (US\$40,000,000.00); (ii) once the payment of receivables is authorized by ANEEL, the aval coverage provided by Equatorial shall be reduced to 50%, that is, forty million U.S. dollars (US\$40,000,000.00), of the contracted amount, and there shall be no restrictions on the Company's net funds level;
- (e) To verify, after examining the documents presented by the Board of Executive Officers referring to the exercise of beneficiaries' option from the Company's First Stock Option Plan, approved at the Company's Extraordinary General Meeting held on February 2, 2006 and re-ratified on February 13, 2006 (“Plan”), that (i) on May 3, 2007, Messrs. Carlos Augusto Leone Piani, Octavio Côrtes Pereira Lopes and Firmino Ferreira Sampaio Neto, subscribed 1,980,271 shares, of which 660,726 are common shares and 1,319,545 are preferred shares, by exercising a call option of the second tranche of the First Program, representing a capital increase of three reais (R\$3.00) and (ii) on December 20, 2007, Messrs. Carlos Augusto Leone Piani and Octavio Côrtes Pereira Lopes subscribed 1,901,292 shares, of which 633,942 are common shares and are 1,267,350 preferred shares, by exercising the call option of the third and last tranche of the First Program, representing a capital increase of twenty reais and sixty-nine centavos (R\$20.69). Therefore, pursuant to Article 166, III of Lei 6,404/76, the Board of Directors verified the Company's capital increase in the amount of twenty-three reais and sixty-nine centavos (R\$23.69), from seven hundred thirteen million, two hundred seventeen thousand, eighty-eight reais and seventy-five centavos (R\$713,217,088.75) to seven hundred thirteen million, two hundred seventeen thousand, one hundred twelve reais and forty-four centavos (R\$713,217,112.44), represented by 200,556,740 shares of which 103,929,888 are common shares and 96,626,852 are preferred

shares, all of them being nominative shares with no par value. The shares issued upon the exercise of the First Program of the Plan shall entitle holders to the same rights as the other outstanding shares issued by the Company, including receiving full dividends and/or interest on the Company's own capital that may be distributed by the Company. As a result of the capital increase referred to herein, the proposal of an amendment to Article 5 of the Company's Bylaws was approved, to be submitted to the Extraordinary General Meeting, such that it reflects the increase in the capital stock pursuant to provisions set forth in the item above;

- (f) To authorize the Board of Executive Officers to take all necessary measures, as well as to sign all documents deemed relevant, to execute the avar approved by this Board;
- (g) To hereby approve the call of an Extraordinary General Meeting.

**Closure:** There being no further business discuss, after these minutes were drawn up and signed in the Company's records, the meeting was closed.

**Attendance:** Gilberto Sayão da Silva, Alessandro Monteiro Morgado Horta, Firmino Ferreira Sampaio Neto, Ana Marta Horta Veloso, Paulo Jerônimo Bandeira de Mello Pedrosa, Darlan Dórea Santos.

### **C E R T I F I C A T E**

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

**Patrícia Pugas de Azevedo Lima**

- Secretary -