



Equatorial Energia S.A.
Publicly-held Company
Corporate Taxpayer's ID (CNPJ/MF) nº 03.220.438/0001-73

NOTICE TO THE MARKET

Equatorial Energia S.A. ("Company"), pursuant article 12 of CVM Instruction 358, from January 3, 2002, and as required by Squadra Investimentos – Gestão de Recursos Ltda (CNPJ 09.267.871/0001-40) and Squadra Investments – Gestão de Recursos Ltda (CNPJ 09.278.157/0001-58), publishes the Notice to the Market received below:

"Investment funds managed by **SQUADRA INVESTIMENTOS – GESTÃO DE RECURSOS LTDA.** and non-resident investors managed by **SQUADRA INVESTMENTS – GESTÃO DE RECURSOS LTDA** ("Investors"), pursuant to CVM Instruction No. 358/2002, altered by CVM Instructions 369/02, 449/07, 547/14, 552/15 e 568/15, inform that, through deals held at the São Paulo Stock Exchange – BM&FBOVESPA, sold common shares issued by **EQUATORIAL ENERGIA S.A.** ("Company"), and, as of today, the Investors now retain 29,215,020 (twenty-nine million, two hundred and fifteen thousand and twenty) common shares, which represents approximately 14.70% (fourteen point seventy percent) of common shares issued by the Company.

SQUADRA INVESTIMENTOS – GESTÃO DE RECURSOS LTDA
SQUADRA INVESTMENTS – GESTÃO DE RECURSOS LTDA"

Rio de Janeiro, March 10, 2017

Eduardo Haiama
Chief Financial and Investor Relations Officer
Equatorial Energia S.A.