

**Equatorial Energia S.A.**  
Publicly-Held Company  
Corporate Taxpayer's Id. (CNPJ/MF) 03.220.438/0001-73

**MATERIAL FACT**

Equatorial Energia S.A. ("Company"), in compliance with Paragraph 4 of Article 157 of Law 6,404/76 of December 15, 1976, and CVM Instructions 319/99 and 358/02 and supplementing the material fact published on December 30, 2009, hereby announces to its shareholders and the market in general that the Company's management will submit to its shareholders at the extraordinary general meeting to be held on April 29, 2010 ("AGO/E"), the proposal for the Company's partial spin-off ("Partial Spin-Off") through the transfer of the portion of its net equity corresponding to its interest in RME – Rio Minas Energia Participações S.A., a closed corporation headquartered at Avenida Marechal Floriano, 168, Centro, CEP 20080-002, in the city and state of Rio de Janeiro, inscribed in the corporate taxpayers register (CNPJ/MF) under no. 07.925.628/0001-47, with the company registry (NIRE) no. 33.3.0027826-5, ("RME"), to a new corporation to be constituted specifically for this purpose at the time of the Partial Spin-Off, to be named Redentor Energia S.A. ("Newco"), and the subsequent registration of Newco as publicly-held company with the Securities and Exchange Commission of Brazil ("CVM") and its admission to the Novo Mercado listing segment of the São Paulo Stock Exchange ("Novo Mercado"). The conditions and material aspects of the Partial Spin-Off are:

Justification and Purpose of the Partial Spin-Off

1. The Partial Spin-Off is to fulfill the covenants established in the Share Purchase Agreement and Other Covenants ("Agreement") executed on December 30, 2009 between Fundo de Investimento em Participações PCP ("FIP PCP"), the Company's indirect controlling shareholder, and Companhia Energética de Minas Gerais – CEMIG ("CEMIG"), in which the Company is the intervening party. As disclosed in the material fact notice on December 30, 2009, the Agreement is for the sale of FIP PCP's indirect interest in Light S.A. ("Light") to a company in which CEMIG holds an interest of no less than 20 percent (20%).
2. To carry out said sale, the Agreement establishes that, after RME's corporate restructuring, FIP PCP will approve the Partial Spin-Off in order to segregate the Company's interest in RME and, consequently, RME's interest in Light, from other assets of the Company, namely, their interest in Companhia Energética do Maranhão – Cemar, Equatorial Soluções S.A. and Geradora de Energia do Norte S.A. On this date, RME's interest in Light represents 13.03% of Light's voting and total capital, which consists of 26,576,149 registered, common shares with no par value.
3. As a result of the Partial Spin-Off, the Company's interest in RME will be transferred to Newco specifically constituted for this purpose at the time of the Partial Spin-Off.
4. The cost relating to the Partial Spin-Off is estimated at five hundred thousand reais (R\$500,000.00), and includes expenses related to the fees of auditors, valuation company, lawyers and publications.

### Corporate and Business Acts that Preceded the Partial Spin-off

5. The Company's management prepared the Proposal and Justification of the Company's Partial Spin-Off on April 09, 2010, which, together with all documents related to it, was approved by the Board of Directors at the meeting held on April 13, 2010. On the same date, the Fiscal Council issued a report favorable to the approval of the Partial Spin-Off.

6. All other documents related to the agenda of the Extraordinary General Meeting, including the information and documents required by CVM Instruction no. 481/2009, were prepared and disclosed.

### Number and Type of Shares to be Attributed to the Company's Shareholders and Rights of Shares

7. According to the Proposal and Justification of the Company's Partial Spin-Off, Newco's capital stock will consist solely of common shares. After the Spin-Off is approved and Newco is constituted, each shareholder of the Company will receive one share of Newco for each share held in the Company. The common shares of Newco will be entitled to the same rights and advantages currently granted to the shares issued by the Company, as the Spin-Off is considered equitable.

8. After the Partial Spin-Off, an application will be made to the CVM for registering Newco as a publicly-held company and to list its shares on the Novo Mercado segment.

9. The common shares issued by the Company currently in the market, will be traded "cum rights" to said Partial Spin-Off until the initial public offering is concluded and the shares issued by Newco are admitted for trading on the Novo Mercado.

### Criteria for Valuing the Portion of the Company's Net Equity to be Spun Off, the Assets and Liabilities of such Portion, and Treatment of Subsequent Equity Variations

10. The Company's management hired, *ad referendum* the general meeting, the specialized company Apsis Consultoria Empresarial Ltda. to value the portion of the Company's net equity to be transferred to Newco and to prepare the valuation report that will serve as the basis for the reduction in the Company's capital stock and the subsequent subscription and payment of the capital stock of Newco. Apsis Consultoria Empresarial Ltda. informed that its operations have no current or potential conflict or union of interest with the Company's controlling shareholder or with the respective minority shareholders or any other company involved or its partners, or with the Partial Spin-Off itself.

11. The Specialized Company prepared the said report, dated March 31, 2010, according to the accounting criterion for valuing the net book value based on the items in the Company's balance sheet as of December 31, 2009, the reference date for the Partial Spin-Off ("Reference Date"), audited by KPMG Auditores Independentes, pursuant to Article 12 of CVM Instruction 319/1999.

12. The hiring of the specialized company, *ad referendum* the general meeting, and the valuation report will be submitted to the extraordinary general meeting for final ratification.

13. According to the Valuation Report, the value of the portion of the Company's net equity to be transferred to Newco is R\$359,165,652.17 (three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos), representing 30.40% of the Company's total net equity in the Reference Date.

14. The spun-off portion of the Company's assets will consist of the shares issued by RME and held by the Company, which will be transferred to Newco's capital stock, with the consequent issue of shares of Newco to the Company's shareholders, who will become shareholders of Newco as well.

15. Newco will assume the liabilities and possible off-balance contingencies relating to the assets transferred and will be responsible only for the obligations related to the transferred assets and rights, with no joint liability with the Company, pursuant to Article 233, sole paragraph, of the Brazilian Law 6,404. The Company's creditors may oppose the absence of joint liability between the Company and Newco with regard to their loans, provided they notify the Company within ninety (90) days from the date of publication of the acts relating to the Partial Spin-Off.

16. The equity variations between the Reference Date and the effective approval of the Partial Spin-Off will be appropriated by the Company or by Newco, depending on whether they concern the assets, rights and obligations maintained by the Company or those related to the portion of the Company's net equity spun-off and transferred to Newco, respectively.

#### Breakdown of the Capital Stock of the Company and of Newco after the Partial Spin-Off

17. In case the Partial Spin-Off is approved by the AGO/E, the Company's capital stock will decrease by R\$359,165,652.17 (three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos), which is equivalent to the portion of the Company's net equity to be transferred to the Newco. The Company's capital stock will be five hundred sixty-six million, eight hundred thirty thousand, five hundred seventy-six reais and seventy-two centavos (R\$566,830,576.72), fully paid-up, divided into one hundred and eight million, four hundred eighty thousand, eight hundred twenty-eight (108,480,828) common shares, all registered with no par value. The Partial Spin-Off and the consequent reduction in the Company's capital stock will be carried out without reducing the number of shares issued by the Company.

18. Similarly, once the Partial Spin-Off is approved, Newco's capital stock, to be subscribed and paid with the spun-off net equity of the Company, will be R\$359,165,652.17 (three hundred fifty-nine million, one hundred sixty-five thousand, six hundred fifty-two reais and seventeen centavos), divided into one hundred and eight million, four hundred eighty thousand, eight hundred twenty-eight (108,480,828) common shares, all registered with no par value, to be distributed among the

shareholders of the Company at the same date in which the AGO/E approves the Partial Spin-off.

#### Withdrawal Rights

19. The approval of the Partial Spin-Off by the AGO/E will not entitle its shareholders to withdrawal rights since the Partial Spin-Off will not trigger any of the hypotheses envisaged in item III of Article 137 of the Brazilian Law of Corporations.

#### Subsequent Acts

20. After the Partial Spin-Off, FIP PCP will sell its entire direct and/or indirect interest in Newco to a company in which CEMIG holds an interest of not less than twenty (20) percent. The price to be paid for Newco's shares will be equivalent to the price of Light's shares they correspond to. For the purposes of the Agreement, each Light share was valued at R\$29.53776, resulting in the amount of R\$785,000,000.00 (seven hundred eighty-five million reais) for the total indirect interest that Newco will hold in Light. FIP PCP will receive an amount proportional to the interest in Newco transferred pursuant to the Agreement. The price will be restated according to the Interbank Deposit Rate (CDI) disclosed by the Clearing House for the Custody and Financial Settlement of Securities (CETIP), from December 1, 2009 till the conclusion date of the acquisition, and will also be adjusted, as applicable, to proportionally reflect any dividends paid or declared by Light during the period.

21. The sale, by FIP PCP, of the shares of the new company resulting from the Partial Spin-off, is subject to determined conditions predicted by the Contract. Once completed the transfer of the shares, with the effective transfer of control of Newco, the acquiring party of Newco, subject to the legal applicable timeframe, shall register with the CVM a public offering for the acquisition of shares by transfer of control, observed the applicable legislation.

22. The Partial Spin-Off will allow other shareholders of the Company the option of selling or keeping their respective indirect interest in Light by subscribing to the public offering of shares mentioned above. Alternatively, said shareholders may remain shareholders of Newco as their shareholdings will be continue to be identical in the Company and Newco, whose shares will be entitled to the same rights and advantages granted to the shares issued by the Company.

#### General Provisions

23. Pursuant to applicable legislation, all approvals should be obtained from the competent bodies for the completion of the Partial Spin-Off.

24. All the information and documents related to the Company's Spin-Off process, including (a) the Proposal and Justification of Partial Spin-Off of the Company, to which the following documents are attached: Exhibit I – information on the interest of related party, Exhibit II – balance sheet of the Company as of December 31, 2009,

Exhibit III – information on the choice of valuation company, Exhibit IV – the Company’s valuation report, Exhibit V – information on the Company’s capital reduction, Exhibit VI – information on the amendment to the Company’s Bylaws and draft of the Company’s Bylaws after partial spin-off, Exhibit VII – draft of Newco’s Bylaws, and Exhibit VIII – assets and liabilities to be transferred to Newco; (b) minutes of the meeting of the Company’s Board of Directors that approved the submission of said proposal to the AGO/E; (c) the report of the Company’s Fiscal Council favorable to the approval of the Partial Spin-Off; (d) information about the candidates for the Board of Directors and Fiscal Council of the Newco required by CVM Instruction 481 of December 17, 2009; and (e) the proposal for compensation of the management and fiscal council members of the Newco and other related information is, as of this date, available to interested shareholders at the Company’s headquarters located at Alameda A, Quadra SQS, 100, sala 31, Loteamento Quitandinha, Altos do Calhau, CEP 65.071-680, in the city of São Luís, state of Maranhão. Said documents have also been sent to CVM and BM&FBovespa – Bolsa de Valores, Mercadoria e Futuros S.A., available at CVM’s website, in the “Shareholder’s Meetings” and “Management Meetings” categories.

25. Shareholders interested in obtaining other information should contact the Company through its website [www.equatorialenergia.com.br](http://www.equatorialenergia.com.br) or the Investor Relations Department, by e-mail [ri@equatorialenergia.com.br](mailto:ri@equatorialenergia.com.br) or phone (55 21) 3206-6635.

Rio de Janeiro, April 14, 2010.

**EQUATORIAL ENERGIA S.A.**

Eduardo Haiama

Chief Financial and Investor Relations Officer