



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 Investimentos – Gestão de Recursos Ltda (CNPJ 09.278.157/0001-58), dated January 22, 2010, comes to the market to inform the following:

"Investment funds managed by **SQUADRA INVESTIMENTOS – GESTÃO DE RECURSOS LTDA.**, under administration by BNY MELLON SERVIÇOS FINANCEIROS DISTRIBUIDORA DE TÍTULOS E VALORES MOBILIÁRIOS S.A., located at the city and state of Rio de Janeiro, Av. Presidente Wilson, 231 / 11th, 13th and 17th floors (partial), under CNPJ/MF 02.021.501/0001-61, and non-resident investors managed by **SQUADRA INVESTMENTS – GESTÃO DE RECURSOS LTDA**, under legal representation by BANCO UBS PACTUAL S.A., located at the city and state of Rio de Janeiro, Praia de Botafogo 501, 5th and 6th floors, under CNPJ 30.306.294/0001-45 ("Investors"), pursuant to CVM Instruction 358/2002, altered by CVM Instructions 369/02 and 449/07, inform that, through deals held at the São Paulo Stock Exchange – BOVESPA, during recent weeks, acquired common shares issued by **Equatorial Energia S.A.** ("Company"), and, as of today, adding the previous retained stake to the recent acquisitions, the Investors now retain 5,725,240 (five million, seven hundred and twenty-five thousand and two hundred and forty) common shares. Investor's mentioned stake represents 5.30% (five point thirty percent) of common shares issued by the Company.

The Investors declare, also, that the recent acquisitions do not intend to change the Company's controlling composition, neither its management structure.

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

Rio de Janeiro, January 25, 2010

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