

TRACTEBEL ENERGIA S.A.

A PUBLICLY HELD COMPANY – CNPJ 02.474.103/0001-19
NIRE 4230002438-4

ANNOUNCEMENT TO THE MARKET

Florianópolis, June 18, 2007 - Tractebel Energia S.A. today took part in the first alternative energy sources auction organized by ANEEL (the National Electricity Regulatory Agency). The energy sold, 23 MW at R$141.16/MWh, will be generated by the São João Thermoelectric Power Plant, a sugar cane biomass project to be constructed in consortium with Dedini Açúcar e Álcool, a component of the Dedini Agro Group. The project will begin operations on January 1, 2010.

The co-generation plant is to be located in São João da Boa Vista, state of São Paulo with an installed capacity of 70 MW. Tractebel Energia S.A. will have a 63% stake in the project through the intermediary of a Specific Purpose Company (SPC), the remainder being held by Dedini Açúcar e Álcool.

Manoel Arlindo Zaroni Torres	Marc Verstraete
Chief Executive Officer	Finance and Investor Relations Director