TRACTEBEL ENERGIA S.A.

A Publicly-Held Company
Tax Enrollment No. (CNPJ) 02.474.103/0001-19
By-Laws filed under No. (NIRE) 4230002438-4

ANNOUNCEMENT TO THE MARKET

TRACTEBEL ENERGIA S.A., a publicly-held corporation, with its head-office in the City of Florianópolis, State of Santa Catarina, at Rua Antônio Dib Mussi, 366, duly enrolled with the Brazilian corporate taxpayers´ Register (CNPJ) under No. 02.474.103/0001-19 ("Tractebel"), informs its shareholders and the market at large that SESA BidCo Ltd., a company organized and existing in accordance with the Laws of Island of Man, currently controlled by GDF-Suez, which is also the controlling shareholder of Tractebel, launched a tender offer for the acquisition of the totality of the issued and outstanding shares of Econergy International PLC ("Econergy"), a company also organized and existing in accordance with the Laws of Island of Man.

In Brazil, Econergy controls the following companies: (i) Usina Eólica Econergy Beberibe S.A., a company authorized by the National Electric Energy Agency (*Agência Nacional de Energia Elétrica* – "ANEEL") to explore the Beberibe Wind Plant, a plant with an installed capacity of 25.60 MW; (ii) Hidrelétrica Areia Branca S.A., a company authorized by ANEEL to explore the Areia Branca Small Hydroelectric Power Plant (*Pequena Central Hidrelétrica*), a plant with an installed capacity of 19.80 MW; and (iii) Econergy Pedra do Sal S.A., a company authorized by ANEEL to explore the Pedra do Sal Wind Plant, a plant with an installed capacity of 17.85 MW (the "Generation Assets"). The total output of the Generation Assets has been contracted by Eletrobrás, by means of the PROINFA Program (*Programa de Incentivo às Fontes Alternativas de Energia Elétrica*), which provides incentives for alternative energy sources.

Tractebel also informs that it may consider the acquisition of the Generation Assets, currently in a pre-operational phase, and that they may represent, when in commercial operation, an increase of 1% in Tractebel´s installed capacity. The potential acquisition of the Generation Assets shall occur, if it is the case, in accordance with the best corporate governance practices applicable to related parties transactions.

Tractebel will keep its shareholders and the market informed on further events related to the above mentioned potential acquisition.

Florianópolis, July 25, 2008.

Luciano Flávio Andriani	José Carlos Cauduro Minuzzo
Finance and Investor Relations Director in office	CEO in office