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MINUTES OF THE SEVENTY-EIGHTH MEETING OF THE BOARD OF DIRECTORS OF TRACTEBEL ENERGIA S.A.

On May 15, 2007 at 5:00 p.m. at Av. Almirante Barroso, 52, 14th floor, room 1401 in the city and state of Rio de Janeiro, following its regular convening, a meeting of the Board of Directors of Tractebel Energia S.A. was held, the following Directors being present: Maurício Stolle Bähr, Manoel Arlindo Zaroni Torres, Victor-Frank de Paula Rosa Paranhos, Jan Franciscus Maria Flachet, Luiz Antônio Barbosa, José Pais Rangel and Antonio Alberto Gouvêa Vieira. The meeting was presided by the Chairman of the Board of Directors, Maurício Stolle Bähr, who proposed that I, José Moacir Schmidt, should act as secretary, the proposal being duly seconded by the other directors. Welcoming those present, the Chairman called the meeting to order placing the matter on the **Agenda of the Day** as itemized in the **convening notice CA-003/2007** of May 10, 2007 as follows: **Item 1** – To approve the conditions of the operation for acquisition of the control of Companhia Energética São Salvador ("CESS"); and **Item 2** – General Matters. **RESOLUTIONS:** **Item 1** – The members of the Board of Directors analyzed the terms and conditions of the operation for the acquisition of the control of CESS, including, but not limited to, the fairness opinion issued by Banco Santander S.A. as to the economic-financial appraisal of CESS, which among other assumptions, considered the beginning of the commercial operation of the plant as January 2009. The matter, having been submitted to the examination of the Directors, and after detailed discussions on the operation, was **unanimously approved:** (i) the proposal for acquisition of the totality of the common and preferred shares issued by CESS and held by SUEZ Energy South America Participações Ltda. ("SESA"), which represent 99.99% of the voting capital stock and 99.99% of the total capital stock of CESS at the total price of R$ 322,000,000.00 (three hundred and twenty-two million Reais), being (I) R$ 304,000,000.00 (three hundred and four million Reais) in cash in local currency, and (II) R$ 18,000,000.00 (eighteen million Reais) conditional upon the match between the dates for beginning of payments relative to the Use of Public Resource - UBP and the beginning of the supply of electricity pursuant to the Regulated Market Electricity Commercialization Contracts – CCEARs given that the payments with respect to the UPB were forecast for 2009 and could be offset from the same year, and not in 2011 only – as provided for in the CCEARs, in order to match the project's revenues and expenses. This matter was approved by the Directors and shall be submitted for the ratification of the Company's General Meeting pursuant to the terms of Article 256, Paragraph 1 of Law 6,406/76 as amended; (ii) the adoption of all the necessary measures to obtain all and any banking, regulatory and other authorizations, particularly those of the National Economic and Social Development Bank - BNDES and the electricity regulatory agency – ANEEL for implementing the said operation; and (iii) the negotiation and signing of all and any juridical instrument necessary for implementing the said operation, including but not limited to, all and any juridical instrument of any kind related to (a) the financing raised by CESS from the BNDES and other financial institutions, and (b) the respective guarantee contracts, including authorization for the issue of corporate sureties on the part of the Company in guarantee of the said financing pursuant to Article 19, Item XI of the Company Bylaws. The floor being given to the Directors present and no other point of order being raised in addition to the detailed discussion which had taken place in

relation to the resolution of the first item on the agenda, the Chairman proceeded to declare the meeting closed, requesting that I, José Moacir Schmidt, draft these minutes. The said minutes having been subsequently read and found correct were duly signed by the members of the Board of Directors present, including the Chairman, and by myself as Secretary. Rio de Janeiro RJ, May 15, 2007.

Maurício Stolle Bähr
Chairman

Manoel Arlindo Zaroni Torres
Director

Victor-Frank de Paula Rosa Paranhos
Director

Jan Franciscus Maria Flachet
Director

Luiz Antônio Barbosa
Director

Antonio Alberto Gouvêa Vieira
Director

José Pais Rangel
Director

José Moacir Schmidt
Secretary