CNPJ/MF 02.474.103/0001-19 – NIRE 4230002438-4
A Publicly Listed Company – CVM Registration 1732-9

MINUTES OF THE ONE HUNDRED AND EIGHTEENTH MEETING OF THE BOARD OF DIRECTORS OF TRACTEBEL ENERGIA S.A.

On July 26, 2012, beginning at 9:00 a.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 Effective Members being present: Maurício Stolle Bähr, Jan Franciscus María Flachet, Luiz Antonio Barbosa, José Pais Rangel, Luiz Leonardo Cantidiano Varnieri Ribeiro and in view of the justified absence of the effective members Dirk Beeuwsaert and Philip Gotsall Cox, their alternates, Gil de Methodio Maranhão Neto and José Carlos Cauduro Minuzzo. Eduardo Antonio Gori Sattamini, Finance and Investor Relations Executive Director of the Company, Paulo de Resende Salgado, president of the Fiscal Council of the Company and Samual Viero Ricken, representative of KPMG Auditores Independentes were also present. The meeting was presided by the Director, Maurício Stolle Bähr, who proposed that I, José Moacir Schmidt, should act as the meeting's secretary, the pr**o**posal being duly seconded by the other Directors. Welcoming those present, the President called the meeting to order, placing the matters on the Agenda of the Day in discussion as itemized in the Convening Notice CA-0003/2012 of July 16, 2012 as follows: 1. Matters for Resolution - Item 1.1 – To approve the Account Statements with respect to the 2nd Quarter 2012 and the distribution of interim dividends; Item 1.2 – To take cognizance and approve electric power purchasing agreements; 2. - Presentations - Item 2.1 – Monitoring of the Credit Policy's exposure limits; and 3. – General Matters. **RESOLUTIONS**: After discussion of the above matters, the Chair put the items on the Agenda of the Day to the vote, the Directors resolving without qualification as follows: 1. Matters for Resolution - Item 1.1 – Pursuant to DD-488-004 of July 19, 2012, and the presentation proffered and filed with the Company, and subsequent to clarifications requested, the Directors unanimously approved, the results for the 2nd Quarter 2012, understanding that they adequately represent the Company's numbers and results in the period. On the basis of these results and pursuant to DD-488-0003 of July 19, 2012, the distribution of interim dividends was approved in the following amounts and under the following conditions: *a)* the total amount of interim dividends shall be R$ 693,759,005.17 (six hundred and ninety-three million, seven hundred and fifty-nine thousand and five Reais, seventeen centavos), corresponding to R$ 1.0628376925 per share; *b)* the Company's shares shall be traded ex-interim dividends as from August 13, 2012; and *c)* the interim dividends shall paid out on a date to be set in due course by the Executive Board and announced through a Notice to Shareholders on the basis of existing registration details held by Itaú Unibanco S.A. as at August 10, 2012. These dividends represent a payout of 100% (one hundred percent) of the net distributable income for the second half of 2012; Item 1.2 **–** Pursuant to sole paragraph to Article 19 of the Bylaws and in accordance with the presentation made and filed with the Company, and following the clarifications to the points raised by the independent directors, the directors took cognizance and unanimously approved the power purchasing agreements signed by the controlled company, Tractebel Energia Comercializadora Ltda.; 2. – Presentations - Item 2.1 – The Manager of the Finance Organizational Unit, Carlos

Freitas, presented the result of the monitoring of the Credit Policy exposure limits, document which is filed with the Company, covering the principal characteristics of the new Credit Policy; the status of the monitoring; the list of non-performing clients; the exposures by sector, by rating, non-guaranteed exposures and the list of guarantees received; the largest available credit lines and the list of guarantors and their credit limits. 3 – General Matters – There was no resolution. **Conclusion:** The floor being given to the Directors present and in addition to the detailed discussions conducted with respect to the resolutions on the matters on the agenda, and no other issues being raised, the time and themes discussed at this meeting being monitored by me, the Secretary, pursuant to the Monitoring of Time and Themes Report, this document being initialed by the members of the chair and placed on record at the registered offices of the Company, the President proceeded to declare the work of the meeting concluded, requesting that I, as Secretary, 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 President, and by myself as Secretary. Rio de Janeiro /RJ, July 26, 2012.

Maurício Stolle Bähr
Director - Chairman

José Moacir Schmidt
Secretary

Jan Franciscus María Flachet
Director

Luiz Leonardo Cantidiano V. Ribeiro
Director

Luiz Antonio Barbosa
Director

José Pais Rangel
Director

José Carlos Cauduro Minuzzo
Alternate Director

Gil de Methodio Maranhão Neto
Alternate Director

Eduardo Antonio Gori Sattamini
Finance and Investor Relations Executive Director

Paulo de Resende Salgado
President of the Fiscal Council

Samuel Viero Ricken
Representative of KPMG