ANNOUNCEMENT OF A RELEVANT FACT

Tractebel Energia S.A. announces to its shareholders and the market in general that Elétrica Jacuí S.A. – ELEJA has exercised its Second Purchase Option established in the project participation transfer contract. As a result, ELEJA has taken control of 100% of the Jacuí Project together with associated rights and duties.

ELEJA is a Special Purpose Company constituted by Riomaggiore Mineração Ltda. specifically to conclude the project. The transfer includes plant, property and rights that represent a substantial part of the assets necessary and/or appropriate for the implementation of the project. The construction of the Jacuí Project, consisting of a coal-fired thermoelectric power plant with an installed capacity of 350 MW, has been on hold since 1991.

As a result of the exercise of the Second Purchase Option, the Company will receive R$ 31,362,000 of which R$ 1,099,000 in the form of coal and R$ 30.263,000 in thirty-six consecutive, equal monthly installments indexed to the IGP-DI, payable as from March 29, 2010 or from the commercial operation date, whichever occurs first.

The profit before taxes of this transaction, including the write off of the special liabilities worth R$ 47,070,000, will be R$ 51,688,000.

On the same date, the parties terminated the Consortium Contract, under which Tractebel Energia S.A. undertook to provide ELEJA with advice on the development, implementation and commercial operation of projects similar to the Jacuí project.

Florianópolis, April 7 2006.

Marc Verstraete
Finance and Investor Relations Director