ENGIE BRASIL ENERGIA S.A.
A Publicly Held Company – CNPJ 02.474.103/0001-19
NIRE 4230002438-4

MATERIAL FACT

ENGIE BRASIL ENERGIA SA ("Company"), a publicly-held corporation registered with the Brazilian Securities Commission ("CVM"), in compliance with CVM Instruction 358, dated January 3, 2002, as amended, wishes to inform the market at large that, on this date, the Company submitted to the CVM, under the terms of article 6-A and 6-B of CVM Instruction 400, a request for registration of a public offer of distribution of securities issued by issuers with high exposure to the market ("EGEM") of, initially, 600,000 (six hundred thousand) debentures, without considering the Additional Debentures (as defined below) and the Supplementary Debentures (as defined below), those of which are simple and non-convertible into shares, in the form of book-entry debentures, unsecured, in up to 2 (two) series, of the Company's 7th (seventh) issuance, ("Debentures", "Issuance" and "Offer").

The Debentures will be publicly distributed, pursuant to CVM Instruction 400 and other applicable laws and regulations. It will be offered, within the scope of the Offer, 600,000 (six hundred thousand) Debentures, with a unitary nominal value of R$ 1,000.00 (one thousand reais) each, totaling, initially, six hundred million reais (R$ 600,000,000.00), without considering the Additional Debentures (as defined below) and the Supplementary Debentures (as defined below) ("Total Issue Value"), on the issue date. The Debentures will comply with the requirements of article 2 of Law 12.431, so that the Debentures holders' will be entitled to tax benefits under the law.

Pursuant to paragraph 2 of article 14 of CVM Instruction 400, the number of Debentures initially offered (without considering the Supplementary Debentures) may be increased by up to 20% (twenty percent), that is, up to 120,000 (one hundred and twenty thousand) Additional Debentures, to be issued under the same conditions as the Debentures initially offered ("Additional Debentures"), which may be issued by the Company until the date of conclusion of the Bookbuilding Procedure (as defined below), without the need for a new registration request of the Offer to the CVM or modification of the terms of the Issue and Offer.

In addition, the number of Debentures initially offered (without considering the Additional Debentures) may be increased by up to 15% (fifteen percent), that is, up to 90,000 (ninety thousand) additional Debentures, to be issued under the same conditions as the Debentures initially offered ("Supplementary Debentures"), intended to meet an excess of demand that may be verified during the Offer, in accordance with the option to be granted by the Company to the Coordinators in the distribution agreement of the Offer, which may be exercised by the Coordinators in agreed terms with the Company, until the date of conclusion of the Bookbuilding Procedure (as defined below).

The Offer will contemplate a bookbuilding procedure, consisting of the collection of investment intentions investment, organized by the Coordinators in accordance with article 23, paragraphs 1 and 2, and Article 44 of CVM Instruction 400, for the Debentures demand verification by the

investors at different levels of interest rates, without receiving reserves, minimum or maximum lots, to define the Debentures remunerations ("Bookbuilding Procedure"). This process will also determine the need for issuance, in whole or in part, of the Supplementary Debentures and / or Additional Debentures.

Pursuant to article 2, paragraph 1, of Law 12.431, and Decree 8.874, dated October 11, 2016, the amount of net resources raised by the Company through the Issuance will be used for the reimbursement of costs incurred in the Projects, within the period of twenty-four (24) months or less, as from the date of the announcement of the closing of the Offer, or for future payment in connection with the investment in the Projects (as defined in the indenture of the Offer).

This material fact does not constitute an offer, invitation or solicitation of an offer to acquire the Debentures. Neither this material fact nor any information contained herein shall constitute the basis of any contract or commitment. The effective approval of the Issuance and realization of the Offer, as well as the definition of its terms and conditions were deliberated by the Company's Board of Directors on June 4, 2018, the minutes of which are available for consultation on the CVM website (http: //www.cvm.gov.br).

Under the applicable regulations and in compliance with the rules of conduct set forth therein, additional information about the Company and the Issue may be obtained from the website of the CVM (http://www.cvm.gov.br) and the Company (http: //www.engie.com.br).

Florianópolis, June 10, 2018.

Eduardo Antonio Gori Sattamini
Chief Executive Officer

Carlos Freitas
Chief Financial and
Investor Relations Officer