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

# MATERIAL FACT NOTICE

## WINNING OFFER FOR THE ACQUISITION OF AN EQUITY INTEREST IN A GAS TRANSPORTER

**ENGIE BRASIL ENERGIA S.A.** ("Company"), a corporation, registered as a publicly held company with the Brazilian Securities and Exchange Commission ("CVM"), pursuant to Article 157, Paragraph 4, of Law 6,404 of December 15, 1976, as amended ("Brazilian Corporations Law") and CVM Instruction 358 of January 3, 2002, as amended, hereby informs the market in general as follows:

On the date hereof, the Company together with a fully owned subsidiary of ENGIE S.A., its final controlling shareholder, and Caisse de Dépôt et Placement du Québec ("Bidders") were informed, by means of a Material Fact Notice disclosed by Petróleo Brasileiro S.A. – Petrobras on the date hereof, that the Bidders were the winners of the competitive process ("TAG Competitive Process") conducted by Petrobras for the acquisition of a 90% equity interest held by Petróleo Brasileiro S.A. - Petrobras in Transportadora Associada de Gás S.A. ("TAG").

The final binding offer presented by the Bidders represents an Enterprise Value of R$ 35.1 billion in connection with 100% of TAG, using the base date of December 2017.

The submission of the bid was approved by the Board of Directors of the Company in the meeting held on March 26, 2019, which also acknowledged the favorable manifestation of the Special Independent Committee for Transactions with Related Parties, as installed during the 173rd meeting of the Board of Directors of the Company held on May 11, 2018.

TAG is the largest natural gas transporter of Brazil, with a pipeline infrastructure of approximately 4,500 km, extending throughout the coastline of the Southeast and Northeast regions of Brazil, and also having a part of it connecting Urucu (petroleum fields in the Amazon) and the City of Manaus (AM). The pipeline network also has 12 gas compression installations (6 fully owned and 6 subcontracted) and 91 delivery stations. "The acquisition of TAG will be another development in the diversification of businesses, materializing the Company's strategy of becoming a key player in the Brazilian infrastructure sector", said the CEO of the Company, Eduardo Sattamini.

After the corporate approvals by its governance and competitive defense bodies, Petrobras and the Bidders will sign, in addition to other transaction documents, the Sale and Purchase Agreement and Other Covenants ("Agreement"), which has as conditions precedent the approval of the transaction by the Conselho Administrativo de Defesa Econômica – CADE (Brazilian antitrust authority) and by the European Union antitrust authority, among other usual conditions precedent for transactions of this nature.

Once the conditions precedent of the Agreement are fulfilled, the Bidders, through Aliança Transportadora de Gás Participações S.A. ("Aliança"), will acquire an equity interest corresponding to 90% of TAG's capital stock. The Company currently holds a direct equity interest of 32.5% in the

capital stock of Aliança and, if the transaction is consummated, will hold an indirect interest of 29.25% in the capital stock of TAG. Petrobras will continue to hold a minority equity interest of 10% in the capital stock of TAG.

The equity interest of the Bidders in TAG and in Aliança, the exercise of their respective voting rights and the limitations on the transfer of shares will be subject to the terms and conditions of certain agreements between the Bidders as well as the Shareholders' Agreement to be signed among the Bidders, Aliança and Petrobras on the closing date of the transaction.

The indirect acquisition of the shareholding joint control of TAG by the Company will be subject to the approval by the general shareholders' meeting, as set forth in article 256, item I, of the Brazilian Corporations Law, because it is considered as a material investment to the Company.

The Company and its advisors are analyzing whether the transaction will trigger to the dissenting shareholders the right to withdrawal (*direito de retirada*), as provided in the second paragraph of article 256 of the Brazilian Corporations Law. Conclusions on this matter will be duly disclosed to the market.

If it is ultimately assessed the existence of appraisal rights (*direito de recesso*), dissenting shareholders may exercise such right with respect to the shares that are proven to be held by such shareholder on the date of this material fact (*fato relevante*), pursuant to the terms of the first paragraph of article 137 of the Brazilian Corporations Law.

Finally, the Company reiterates its commitment to keep stockholders and the market at large informed about the progress of this and any other matter of market interest.

Florianópolis, April 5th, 2019.

Eduardo Antonio Gori Sattamini
Chief Executive Officer,
Chief Financial and Investor Relations Officer