TRACTEBEL ENERGIA S.A.

A PUBLICLY HELD COMPANY – CNPJ 02.474.103/0001-19
NIRE 4230002438-4

MATERIAL FACT

TRACTEBEL ENERGIA S.A., a publicly held company with registered offices in the city of Florianópolis in the state of Santa Catarina at Rua Antônio Dib Mussi, 366, enrolled in the Brazilian corporate taxpayers' register (CNPJ) under number 02.474.103/0001-19 ("Tractebel"), pursuant to CVM Instruction 358/2002, wishes to announce to its shareholders and the market at large that its subsidiary, **Energia América do Sul Ltda.**, with its registered offices in the city of Florianópolis, state of Santa Catarina at Rua Antônio Dib Mussi, 366, part, enrolled in the Brazilian corporate taxpayers' register (CNPJ) under number 02.695.010/0001-14, has agreed to acquire the total capital stock of **Ponte de Pedra Energética S.A.**, a joint stock company with registered offices in the city of Itiquira, state of Mato Grosso, at Estrada de Acesso à Usina Hidrelétrica Ponte de Pedra, antiga BR 163, s/nº, Zona Rural, enrolled in the Brazilian corporate taxpayers' register (CNPJ) under number 02.877.212/0001-87 ("PPESA"), according to the share purchase agreement signed today ("Agreement"). The finalization of the operation is subject to certain conditions including the prior authorization of the Brazilian Electricity Energy Agency – ANEEL.

PPESA holds the concession of the Ponte de Pedra hydroelectric power plant, which has an installed capacity of 176.1 MW (assured energy of 131.6 average MW) and in commercial operations since September 2005, situated on the Correntes River in the state of Mato Grosso.

The acquisition price is R$ 592,000,000.00 (five hundred and ninety-two million Reais), which shall be paid contingent to satisfying certain conditions contained in the Agreement. PPESA's acquisition represents a further step by Tractebel in its strategy of growth in the Brazilian electricity industry.

Energia América do Sul Ltda.'s acquisition of PPESA constitutes a material investment for Tractebel, and is subject to the provisions of Article 256 of Law 6,404/76. For this reason, the transaction shall be submitted to the ratification of a shareholders' general meeting as well as the approval of the Brazilian Anti-Trust Authority (Conselho Administrativo de Defesa Econômica – CADE) as required by law.

Florianópolis, December 13, 2007.

Marc Verstraete
Finance and Investor Relations Director

Manoel Arlindo Zaroni Torres
Chief Executive Officer