TRACTEBEL ENERGIA S.A.

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

MATERIAL FACT

TRACTEBEL ENERGIA S.A., a listed company headquartered in the city of Florianópolis, Santa Catarina state, Rua Antônio Dib Mussi, 366, CNPJ no. 02.474.103/0001-19 ("Tractebel"), hereby, in compliance with the provisions of CVM Instruction no. 358/2002, informs its shareholders and the market in general that its subsidiary DELTA ENERGÉTICA S.A., headquartered in the city of Florianópolis, Santa Catarina state, Rua Antônio Dib Mussi, 366, CNPJ no. 04.379.720/0001-24 ("Delta"), acquired the total capital of SEIVAL PARTICIPAÇÕES S.A., headquartered in the city of Rio de Janeiro, Rio de Janeiro state, at Praça Mahatma Gandhi, 2, room 1.101, CNPJ no. 05.790.957/0001-00 ("Seival"). The conclusion of this transaction is subject to the fulfillment of certain conditions, including the prior approval of the National Electric Energy Agency (Aneel). The closing of the transaction will occur within five business days counting from the fulfillment of such conditions.

Seival is a specific-purpose holding company, that has a 99.99% stake in Usina Termelétrica Seival Ltda. ("UTE Seival"), headquartered in the city of Porto Alegre, Rio Grande do Sul state, at Largo Visconde Cairú, 12, 3rd floor, room 303, CNPJ no. 05.132.203/0001-55, and holds the rights (including Aneel authorization, preliminary license and the real state purchase option) to implement and explore the coal-fired thermal plant mill in Candiota, Rio Grande do Sul state, with installed capacity of up to 540 MW.

The acquisition price is R$ 24,000,000.00, of which R$ 500,000.00 was paid in advance and R$ 4,500,000.00 will be paid ten days after the closing date of the transaction. The remaining balance will be paid in three installments, upon fulfillment of certain conditions. During the period between the close of the transaction until the startup of the commercial operation of UTE Seival, Tractebel intends to approve the merge of Delta into Seival and the latter into UTE Seival.

The acquisition of Seival represents another step towards Tractebel's growth in the Brazilian electrical sector.

The acquisition of Seival by Delta does not represent a material investment to Tractebel nor does it apply to the provisions of article 256 of Law no. 6.404/76, therefore, it will not be submitted to ratification by the shareholders in the general shareholders' meeting. As required by law, the acquisition will be submitted to approval by the Administrative Council for Economic Defense (CADE).

Florianópolis, October 2, 2007.

Manoel Arlindo Zaroni Torres
Chief Executive Officer

Marc Verstraete
Finance and Investor Relations Director