Tractebel Energia

suez



Perspectives of Energy Supply

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CEO

HPP Itá – November 2007



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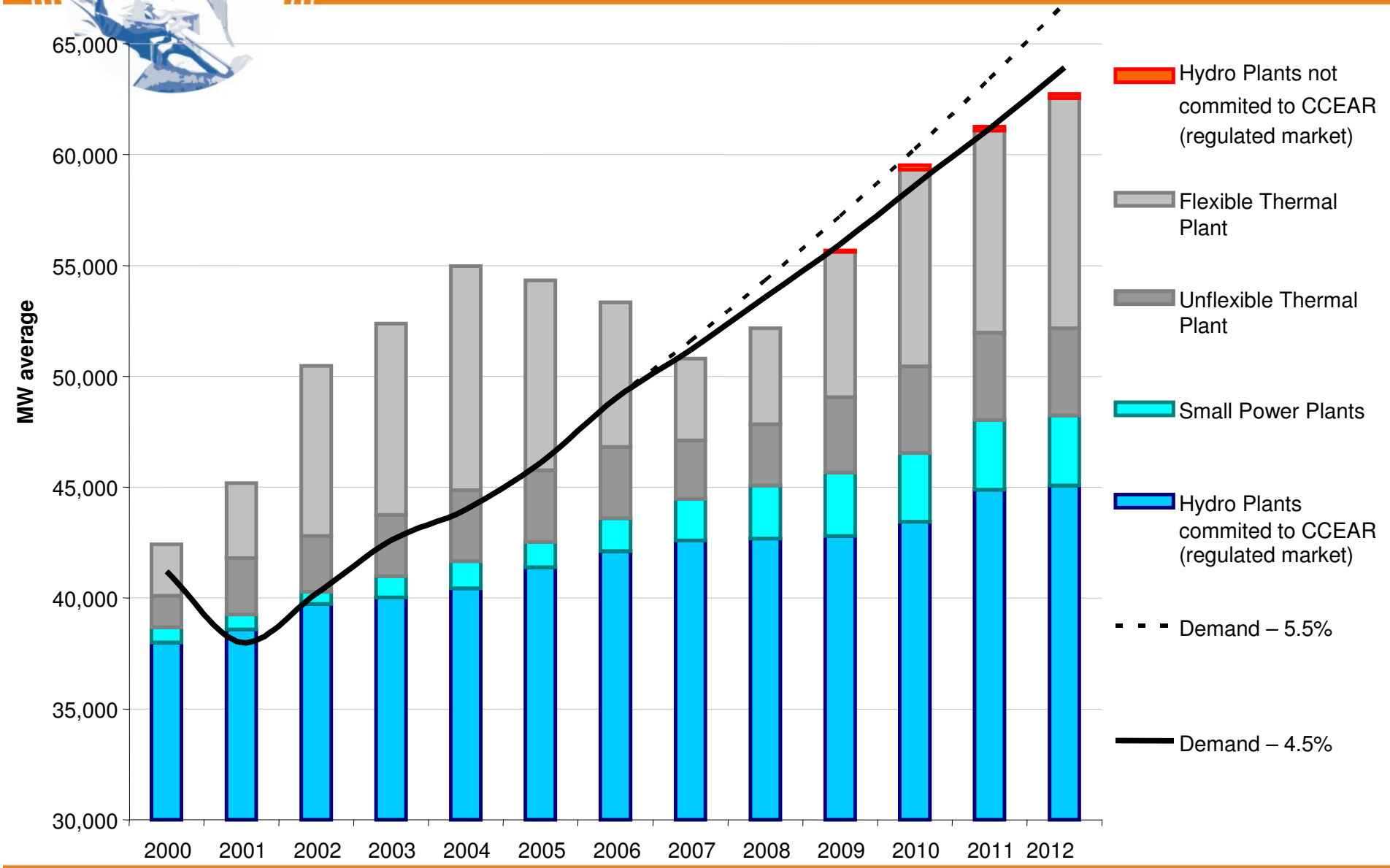
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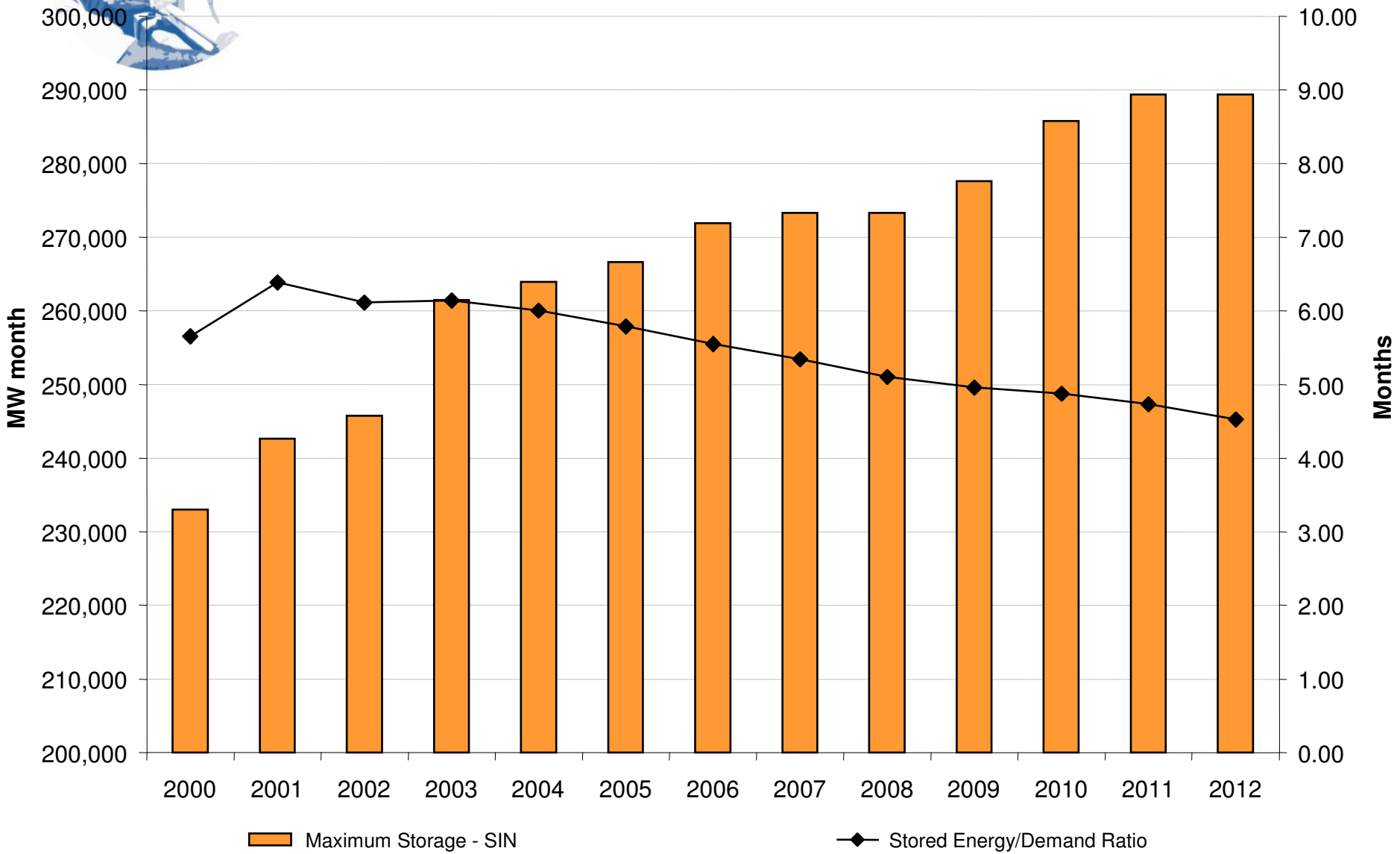
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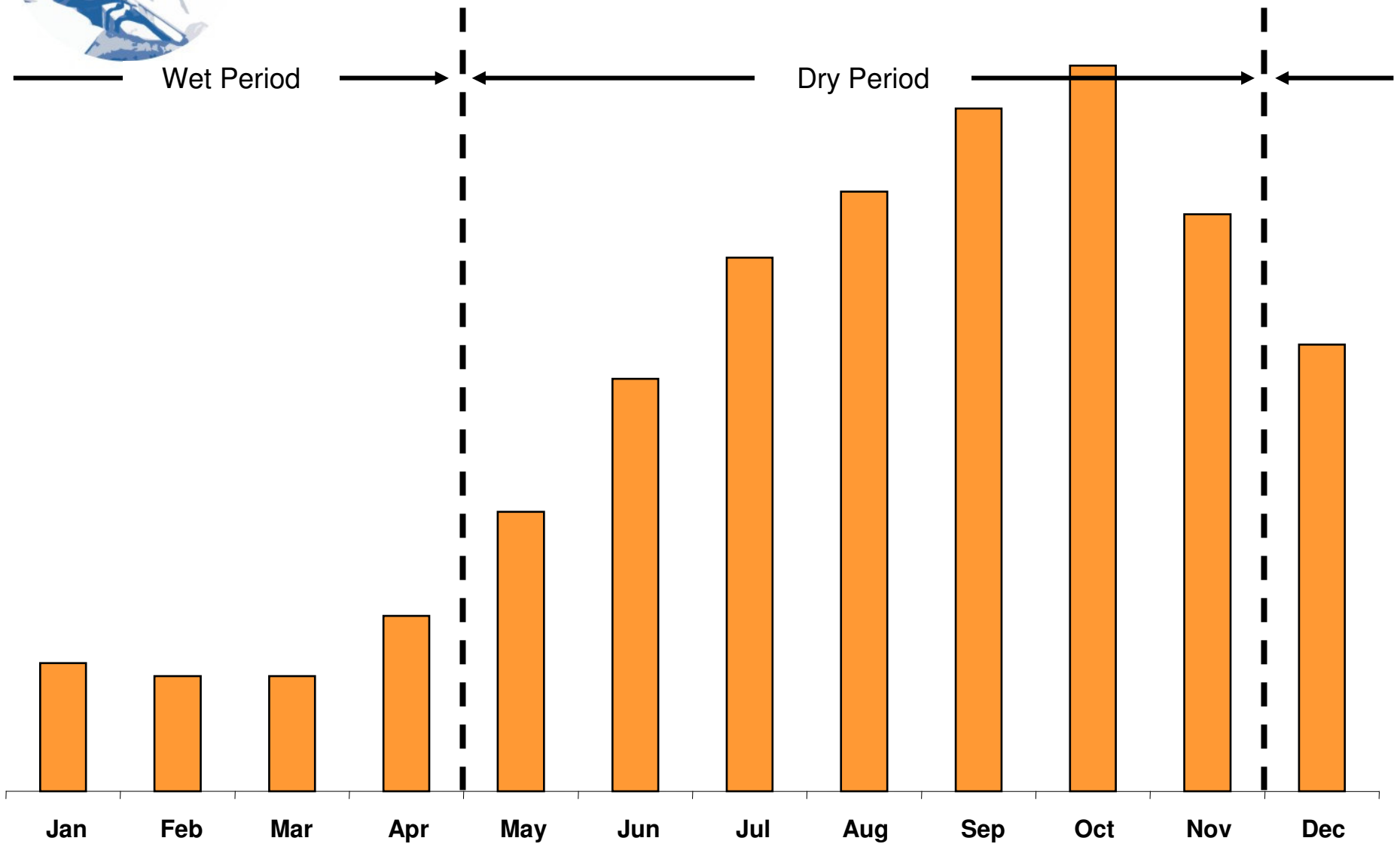
Energy Balance – SIN (National Interlinked System)



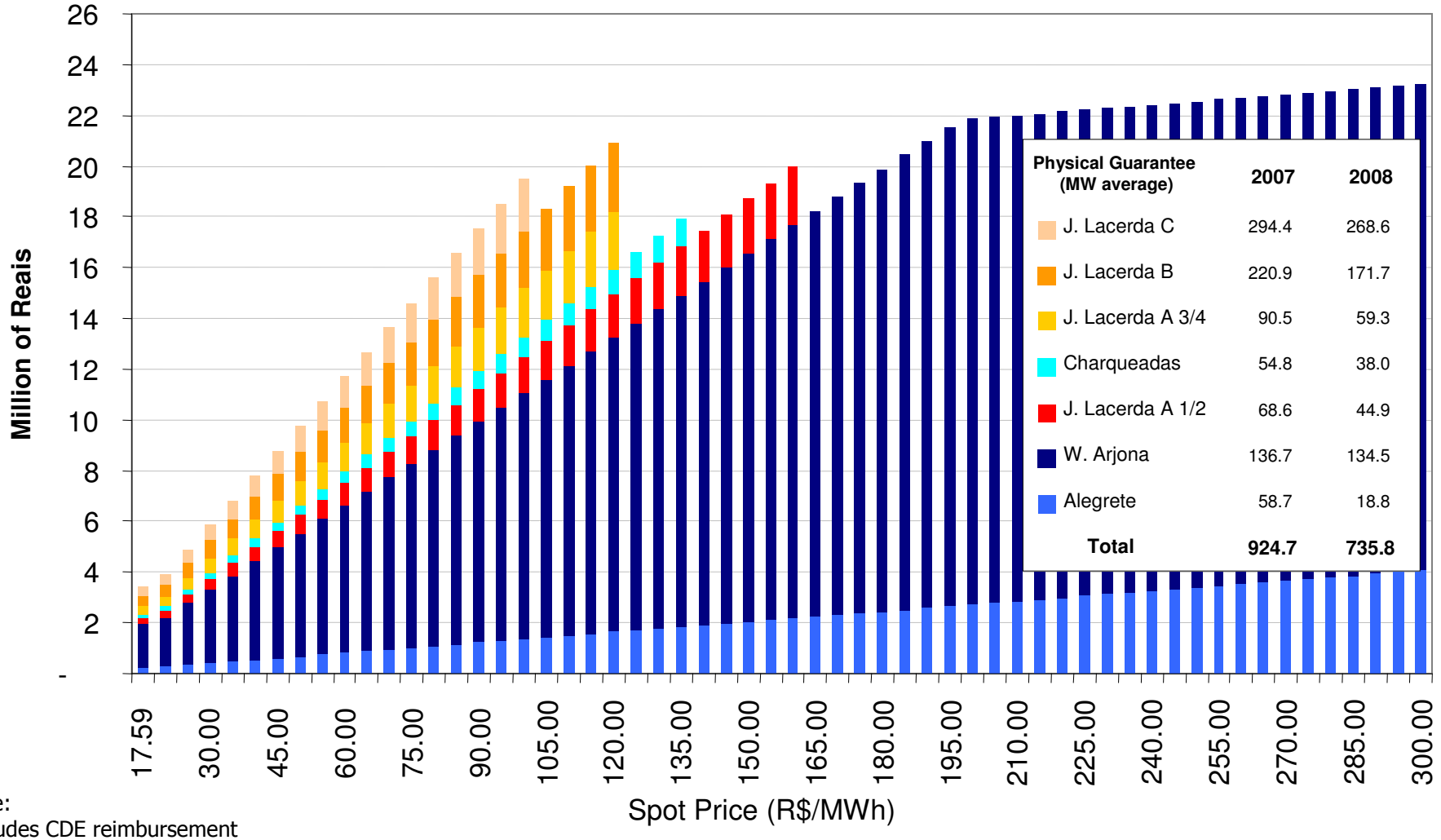
Regularization Capacity of the SIN



Seasonal Behavior of Spot Prices

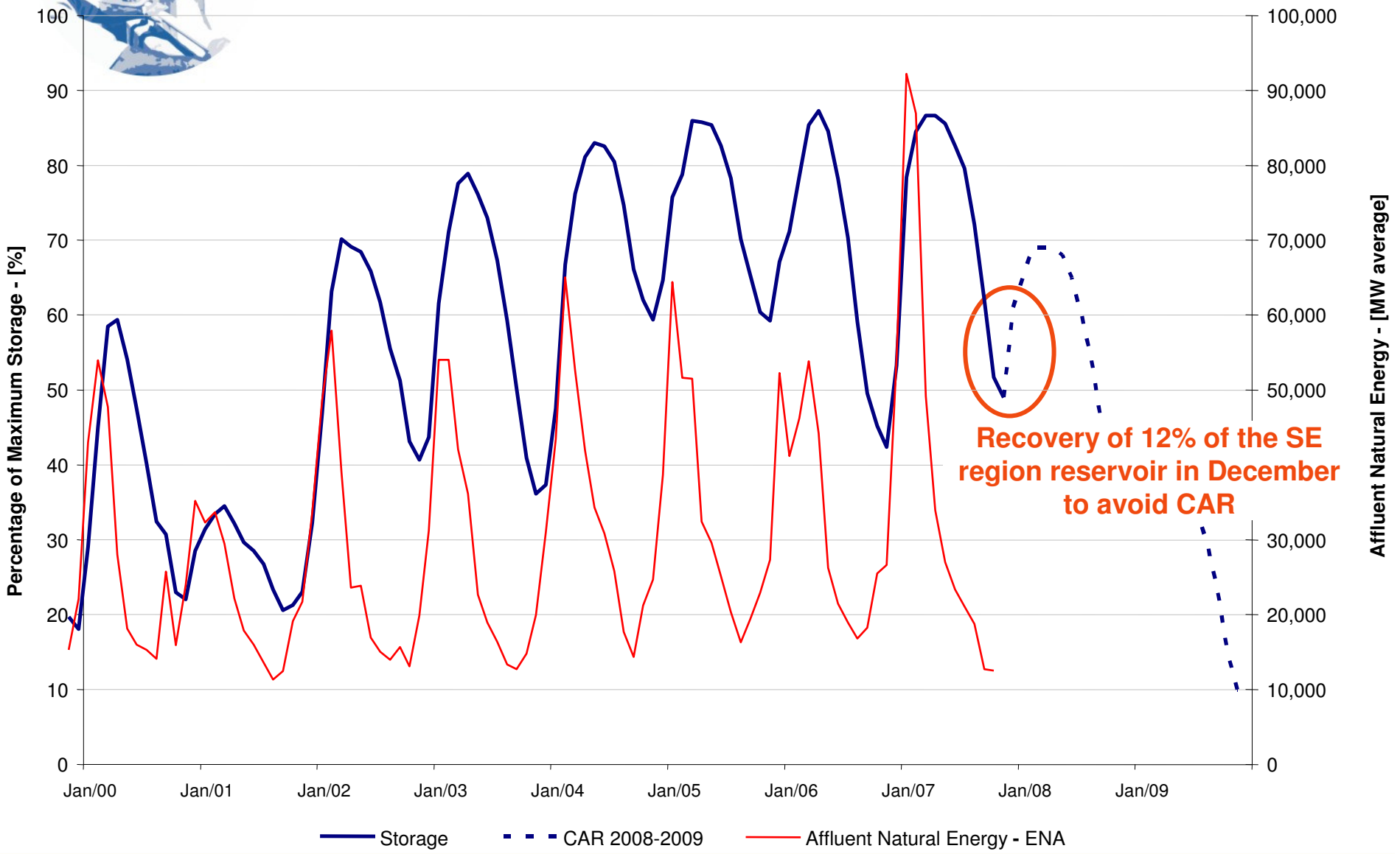


Cost of Exposure and Fuel

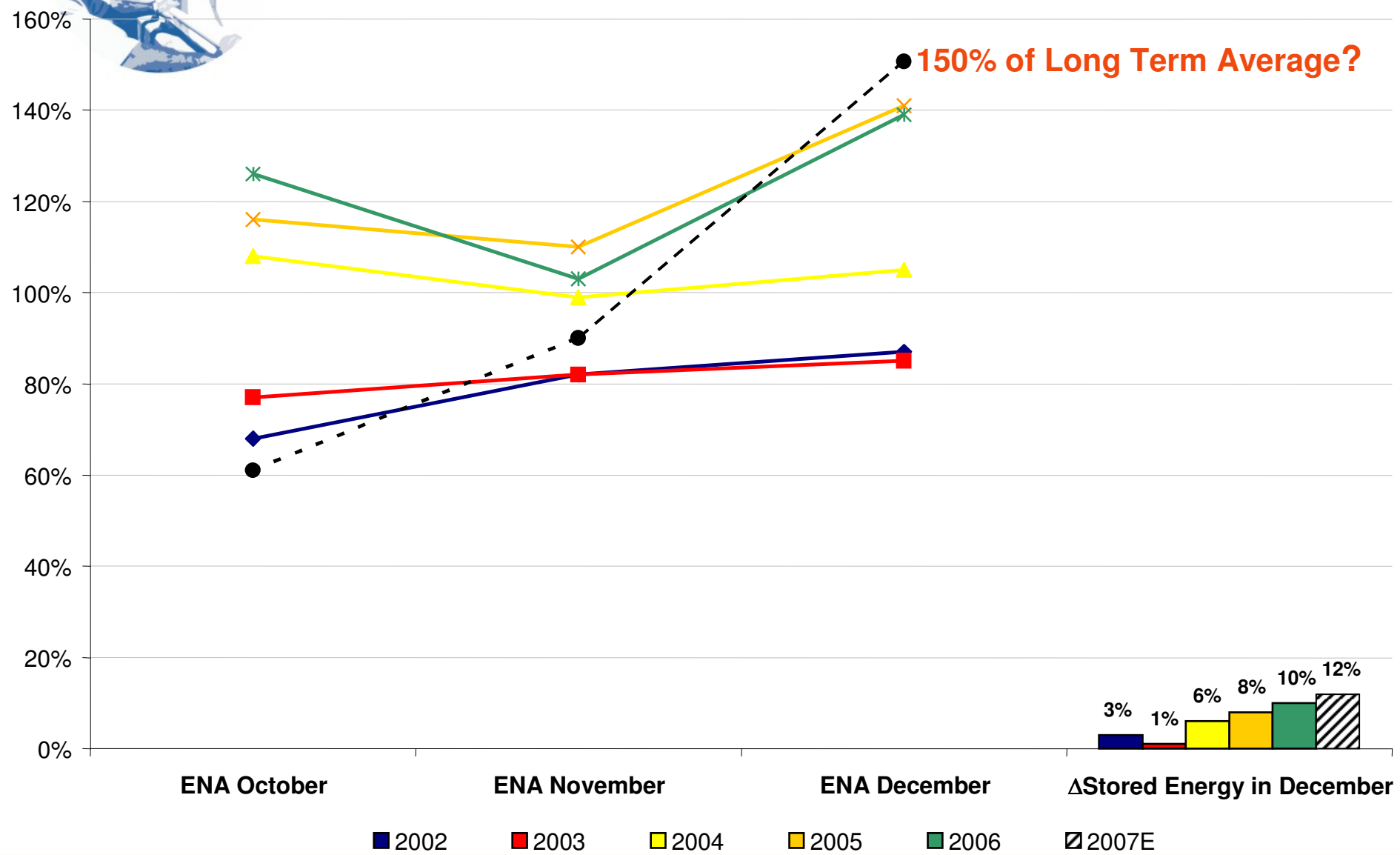


Note:
Includes CDE reimbursement

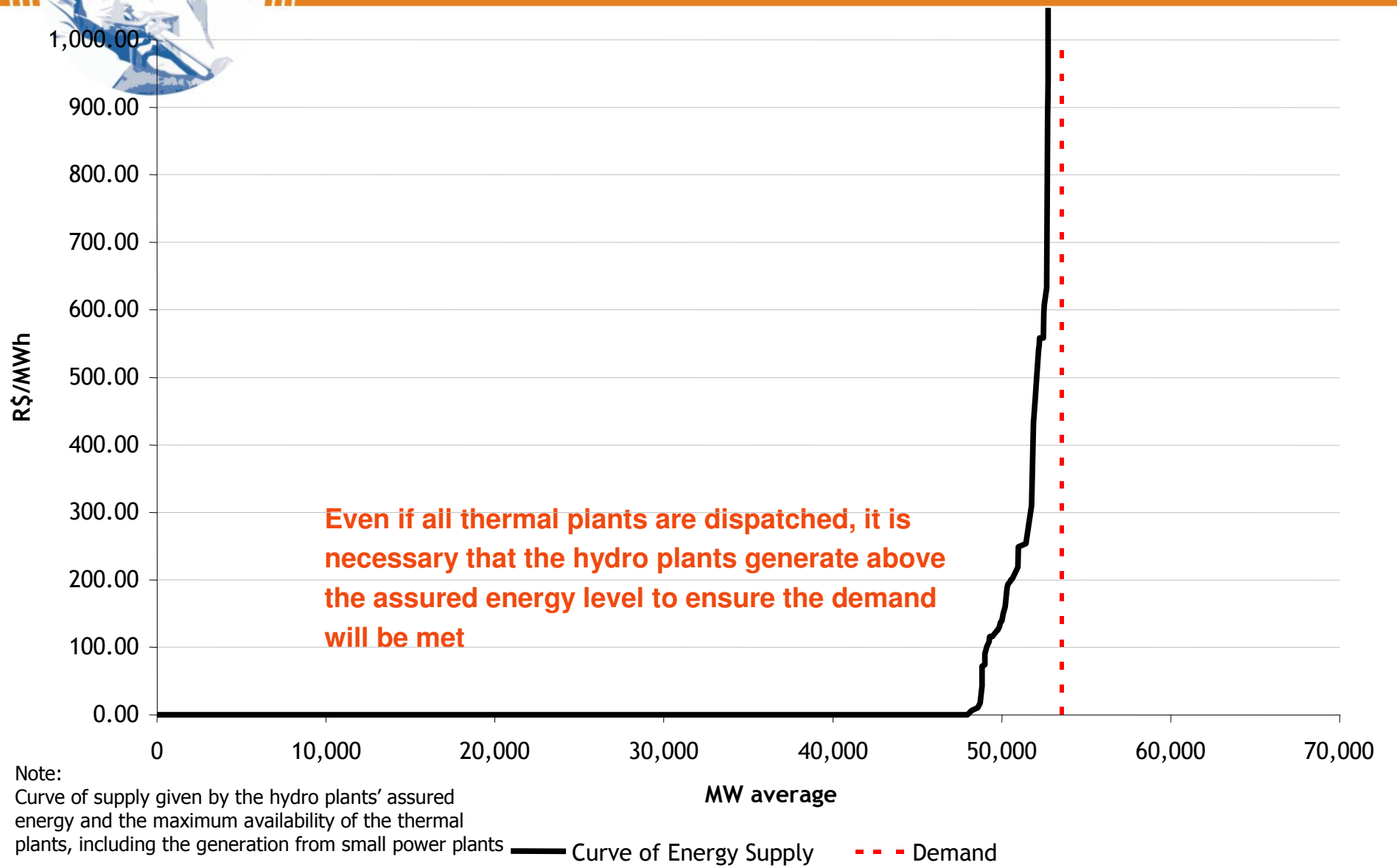
Evolution of Storage and Risk Aversion Curve - CAR 2008/2009 for the Southeast Region



Storage Variation in December – Southeast region



Curve of Energy Supply for 2008



Note:
Curve of supply given by the hydro plants' assured energy and the maximum availability of the thermal plants, including the generation from small power plants



Conclusion

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- The situation of SIN for the next years indicates the need for thermal generation to meet the energy demand, especially from May to November
  - Perspective of high average SPOT price for the next years, higher from May to November
  - Several thermal plants will be dispatched for order of merit or for the maintenance of the reservoirs' levels (via CAR)
  - Maximum thermal generation forecast
    - » If not for the internal market, it will be for export
  - Perspective of rationing, from 2009 on, cannot be ignored
- Scarcity of generating capacity points to an increase of contracts' prices



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Thank You!