

August 9, 2005



The BANK
of NEW YORK

SECURITIES SERVICING
DEPOSITARY RECEIPTS

Corporate Action

ATTENTION: International Research, Sales, Trading and Operations Staff

TRACTEBEL ENERGIA S.A. – SHARE CONVERSION

TRACTEBEL ENERGIA S.A.
(PREFERRED)

From

Country: Brazil

Symbol: TBLGY

CUSIP Number: 892360306

Exchange: OTC

Ratio: 1 ADR: 5 Ordinary Shares

TRACTEBEL ENERGIA S.A.
(COMMON)

To

Brazil

TBLEY

892360108

OTC

1 ADR: 5 Ordinary Shares

Please be advised that effective Tuesday, August 9, 2005, **Tractebel Energia S.A.** will convert on a mandatory basis all of its outstanding preferred shares into its common shares on a one-for-one basis. Due to the 3 days settlement period in Brazil, our account for Tractebel Common will be credited with the new Tractebel Common Shares on Friday, August 12, 2005.

As a result, beginning August 12, 2005, holders of Tractebel Preferred ADSs (CUSIP # **892360306**) will be required to surrender their ADRs for cancellation on a mandatory basis and exchange them into Tractebel Common ADSs (CUSIP # **892360108**) on a one-for-one basis.

In addition, please note that pursuant to the Preferred Deposit Agreement, the Company instructed the Depositary to terminate the Deposit Agreement effective 90 days from the date of this notice. As such, effective, November 8, 2005, the Preferred Deposit Agreement will be terminated.

To learn more about ADRs and issuer programs, please call our marketing desks:

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