

REDE ENERGIA S.A.

IMPORTANT NOTICE

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached Offer to Purchase dated June 1, 2009 and Letter of Transmittal (the "Offer Documents"), and you are therefore advised to read this disclaimer page carefully before reading or making any other use of the Offer Documents. In reading the Offer Documents, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from the Information Agent.

CONFIRMATION OF YOUR REPRESENTATION:

You have been sent the Offer Documents at your request and on the basis that:

- (i) you are a holder or a beneficial owner of the Notes (as defined in the Offer Documents);
- (ii) you are a person to whom it is lawful to send the attached Offer Documents or to make an invitation pursuant to the Tender Offer under applicable laws; and
- (iii) you consent to delivery of the Offer Documents by electronic transmission to you.

You are reminded that the Offer Documents have been delivered to you on the basis that you are a person into whose possession the Offer Documents may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the Offer Documents to any other person.

The Offer Documents are private documents, personal to you, and are not intended to be made public. You should keep the terms of the Offer Documents confidential and ensure that your stockbroker, solicitor, accountant or other professional adviser also keeps the terms of the Offer Documents confidential.

The materials relating to the Tender Offer contained herein do not constitute, and may not be used in connection with, an offer or solicitation in any jurisdiction where offers or solicitations are not permitted by law. **The Tender Offer is not being made to, and tenders of Notes by Holders will not be accepted from, any person in any jurisdiction that requires the Tender Offer or the distribution of the Offer Documents, to be made by a licensed broker or dealer.**

The Tender Offer is not being made to any holders of Notes in Italy. In the United Kingdom, France and Belgium, the Tender Offer is being made only to specified eligible holders of Notes, as set forth in the Offer to Purchase. Restrictions on the Tender Offer may also apply in other jurisdictions.

Under no circumstances shall the Offer Documents constitute the solicitation of an offer to sell nor shall there be any offer of sale of the Notes in any jurisdiction in which such offer, solicitation or sale would be unlawful. Recipients of the Offer Documents who intend to accept the Tender Offer are reminded that any acceptance of the Tender Offer may be made only on the basis of the information contained in the Offer Documents.

If the Offer Documents have been sent to you in an electronic form, you are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of Rede Energia S.A., Banc of America Securities LLC or Planner Securities LLC, or any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Offer Documents distributed to you in electronic format and the hard copy version available to you on request from the Information Agent.

OFFER TO PURCHASE



REDE ENERGIA S.A.
OFFER TO PURCHASE FOR CASH
A PORTION OF ITS OUTSTANDING
11.125% PERPETUAL NOTES
(CUSIP NO. 75734PAA7 AND ISIN NO. USP8001VAD84)

This Tender Offer will expire at 12:00 midnight, New York City time, on Friday, June 26, 2009, unless extended or earlier terminated by us (such time and date, as the same may be extended, the "Expiration Date"). Holders must validly tender, and not validly withdraw, their Notes at or prior to 5:00 p.m., New York City time, on Friday, June 12, 2009, unless extended by us (such time and date, as the same may be extended, the "Early Tender Date") to receive the Total Consideration (as defined below), together with the Accrued Interest (as defined below). Subject to the satisfaction of certain conditions, Holders who validly tender, and do not withdraw, their Notes after the Early Tender Date and at or prior to the Expiration Date will receive only the Tender Offer Consideration (as defined below), together with the Accrued Interest, and not the Total Consideration. Payment of the Total Consideration or the Tender Offer Consideration, as applicable, will be made on the Settlement Date (as defined below).

Rede Energia S.A., a corporation (*sociedade anônima*) organized under the laws of Brazil (which we refer to as "Rede," "we," or "us") hereby offers to purchase for cash, upon the terms and subject to the conditions set forth in this Offer to Purchase (as it may be amended or supplemented from time to time, the "Offer to Purchase") and in the related letter of transmittal (as it may be amended or supplemented from time to time, the "Letter of Transmittal" and, together with the Offer to Purchase, the "Offer Documents"), the maximum aggregate principal amount of our outstanding 11.125% Perpetual Notes (the "Notes") that we can purchase for the U.S. dollar equivalent of R\$300,000,000, calculated as provided below (the "Maximum Payment Amount") at a purchase price per US\$1,000 principal amount determined in accordance with the procedures set forth below. The Tender Offer is not conditioned on any minimum amount of Notes being tendered. We expressly reserve our right to terminate the Tender Offer at any time prior to the Expiration Date. We refer to our offer to purchase the Notes as the "Tender Offer."

The Maximum Payment Amount will be equal to the U.S. dollar equivalent of R\$300,000,000 based on the average of the buy and sell U.S. dollar-Brazilian *real* exchange rates indicated under "transaction PTAX 800, option 5" published by the Central Bank of Brazil (the "Central Bank"), through the SISBACEN system at 7:00 p.m., Brasília time (the "PTAX Exchange Rate"), on the business day prior to the Early Tender Date (the "Exchange Rate Date"). For reference, the PTAX Exchange Rate on May 29, 2009 was US\$1.00=R\$1.9726, and based on this exchange rate, the Maximum Payment Amount would have been US\$152,083,545. Rede will announce the U.S. dollar amount of the Maximum Payment Amount by press release promptly following the determination of the Maximum Payment Amount.

The Total Consideration payable for the Notes is to be determined based on a formula consisting of a "base" price, plus a Clearing Premium (as defined below) applicable to the Notes to be determined pursuant to a modified "Dutch Auction." Holders of the Notes (the "Holders") validly tendering their Notes (and not validly withdrawing their Notes) after the Early Tender Date and on or prior to the Expiration Date will only be eligible to receive the Tender Offer Consideration, which is equal to the Total Consideration *less* the Early Tender Payment (as defined below). The Total Consideration and the Tender Offer Consideration will be payable in cash. Acceptance of tendered Notes may be subject to proration as described herein. In addition, Holders who tender Notes that are accepted for purchase by us will receive on the Settlement Date (as defined below) a cash payment representing the accrued and unpaid interest on those Notes from the last interest payment date preceding the Settlement Date to, but not including, the Settlement Date for Notes purchased by us pursuant to the Tender Offer ("Accrued Interest").

The following table sets forth the security description, the CUSIP and ISIN numbers, the aggregate principal amount of the Notes outstanding, the range of the principal amount of Notes to be purchased, the Early Tender Payment and the Total Consideration.

Security Description	CUSIP No. and ISIN No.	Outstanding Principal Amount (1)	Range of Principal Amount of Notes to be Purchased (2)	Early Tender Payment ⁽³⁾	Total Consideration (Acceptable Bid Price Range) (3)(4)
11.125% Perpetual Notes	75734PAA7 USP8001VAD84	US\$575,000,000	US\$286,950,000 To US\$380,208,000	US\$50	US\$450 – US\$530

⁽¹⁾ Aggregate principal amount of the Notes outstanding as of May 29, 2009.

⁽²⁾ Calculated (1) based on a Maximum Payment Amount of US\$152,083,545 (the amount of the Maximum Payment Amount if this amount were calculated using the PTAX Exchange Rate at May 29, 2009 of US\$1.00=R\$1.9726), and (2) assuming that the Tender Offer is fully subscribed. Holders are cautioned that the *real*/U.S. dollar exchange rate fluctuates widely, and the PTAX Exchange Rate at May 29, 2009 may differ significantly from the PTAX Exchange Rate on the Exchange Rate Date. As a result, the minimum and maximum aggregate principal amounts of the Notes that we may purchase, assuming that the Tender Offer is fully subscribed, could vary significantly. See "Terms of the Tender Offer—General."

⁽³⁾ Per US\$1,000 principal amount of Notes that are accepted for purchase.

⁽⁴⁾ Includes the Early Tender Payment.

This Offer to Purchase and the accompanying Letter of Transmittal contain important information that should be read before any decision is made with respect to the Tender Offer. In particular, see "Considerations for Holders of Notes" on page 8 for a discussion of certain factors you should consider in connection with this Tender Offer.

The Dealer Managers for the Tender Offer are:

Banc of America Securities LLC

Planner Securities LLC

June 1, 2009

Total Consideration and Tender Offer Consideration

The “Total Consideration” for each US\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer at or prior to the Early Tender Date and accepted for purchase by us will be equal to the sum of (1) the “Base Price,” which is US\$450 per US\$1,000 principal amount of Notes, and (2) the Clearing Premium, which Clearing Premium will be determined pursuant to a modified Dutch Auction as described below under “—Bid Prices and the Determination of the Total Consideration and the Tender Offer Consideration.” The Total Consideration includes an amount (the “Early Tender Payment”) equal to US\$50 for each US\$1,000 principal amount of Notes accepted for purchase.

The “Tender Offer Consideration” for each US\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer after the Early Tender Date and at or prior to the Expiration Date and accepted for purchase by us will be equal to the Total Consideration *less* the Early Tender Payment.

Holders must validly tender and not validly withdraw their Notes at or prior to the Early Tender Date in order to be eligible to receive the Early Tender Payment. Holders tendering their Notes after the Early Tender Date and at or prior to the Expiration Date will only be eligible to receive the Tender Offer Consideration and not the Early Tender Payment.

The Total Consideration or the Tender Offer Consideration, as the case may be, together with the Accrued Interest will be payable in cash promptly after the Expiration Date to those Holders whose Notes are accepted for purchase in the Tender Offer.

Determination of the Maximum Payment Amount

The Notes are denominated in U.S. dollars and the Total Consideration and the Tender Offer Consideration will be paid in U.S. dollars. In this Offer to Purchase, amounts are expressed in U.S. dollars, unless otherwise noted. References to “US\$” are to U.S. dollars. All references to “R\$” are to the Brazilian *real*, the official currency of Brazil.

The Maximum Payment Amount will be equal to the U.S. dollar equivalent of R\$300,000,000 based on the PTAX Exchange Rate on the Exchange Rate Date. For reference, the PTAX Exchange Rate on May 29, 2009 was US\$1.00=R\$1.9726, and based on this exchange rate, the Maximum Payment Amount would have been US\$152,083,545. Rede will announce the U.S. dollar amount of the Maximum Payment Amount by press release promptly following the determination of the Maximum Payment Amount.

Holders are cautioned that the *real*/U.S. dollar exchange rate fluctuates widely, and the PTAX Exchange Rate at May 29, 2009 may differ significantly from the PTAX Exchange Rate on the Exchange Rate Date. As a result, Maximum Payment Amount could vary significantly. For example:

- if the PTAX Exchange Rate on the Exchange Rate Date is U.S.\$1.00=R\$1.8740 (which would represent a 5% appreciation of the *real* against the U.S. dollar from May 29, 2009 to the Exchange Rate Date), the Maximum Payment Amount would be US\$160,087,942; and
- if the PTAX Exchange Rate on the Exchange Rate Date is U.S.\$1.00=R\$2.0712 (which would represent a 5% depreciation of the *real* against the U.S. dollar from May 29, 2009 to the Exchange Rate Date), the Maximum Payment Amount would be US\$144,841,471.

Bid Prices and the Determination of the Total Consideration and the Tender Offer Consideration

The Tender Offer is being conducted as a modified Dutch Auction. This means that if you elect to participate, you must specify the minimum Total Consideration (your “Bid Price”) you would be willing to receive in exchange for each US\$1,000 principal amount of Notes you choose to tender in the Tender Offer. The Bid Price that you specify for each US\$1,000 principal amount of Notes must be in increments of US\$2.50, and may not be more than US\$80 in excess of the Base Price. **Tenders of Notes for which the Bid Price is below the Base Price or in excess of the sum of the Base Price and US\$80 will not be accepted and will not be used for purposes of calculating the Clearing Premium.** If any Bid Price is not

submitted in a whole increment of US\$2.50, such Bid Price will be rounded down to the nearest US\$2.50, increment. The Base Price and permissible ranges of Bid Prices for the Notes is as follows:

Base Price(1)	Minimum Total Consideration (1)(2)	Maximum Total Consideration (1)(2)
US\$450	US\$450	US\$530

(1) Per US\$1,000 principal amount of Notes that are accepted for purchase.

(2) Includes the Early Tender Payment.

The Bid Price specified by you (or deemed to have been specified by you) will include the Early Tender Payment, which you will only be entitled to receive for Notes that you validly tender, and do not validly withdraw, at or prior to the Early Tender Date, and that are accepted by us for purchase in the Tender Offer. If you tender after the Early Tender Date and at or prior to the Expiration Date, your Bid Price will be used for purposes of calculating the Bid Premium, but you will only receive the Tender Offer Consideration and not the Early Tender Payment. Each Holder tendering Notes in the Tender Offer is to submit a Bid Price; however, Holders who tender Notes without specifying a Bid Price will be deemed to have specified the Base Price as their Bid Price and to accept the Clearing Premium determined by us in accordance with the terms of the Tender Offer.

Whether and to what extent your tendered Notes are accepted for purchase in the Tender Offer will depend upon how the Bid Premium specified by you compares to Bid Premiums specified by other tendering Holders of Notes. Specifically, on the Expiration Date:

- for each tender of Notes, we will determine the “Bid Premium” for such tender by subtracting the Base Price from the Bid Price specified for such Notes;
- we will use all the Bid Premiums received to calculate a Clearing Premium in accordance with the procedure set forth below;
- the Total Consideration payable for the Notes will be equal to the Clearing Premium plus the Base Price; and
- the Tender Offer Consideration payable for the Notes will be equal to the Total Consideration *less* the Early Tender Payment.

The “Clearing Premium” for the Notes will be determined by consideration of the Bid Premiums of all validly tendered (and not validly withdrawn) Notes, in order of lowest to highest Bid Premiums. The Clearing Premium will be:

- the lowest single premium for all tenders of Notes such that, for all tenders of Notes whose Bid Price results in a Bid Premium equal to or less than this lowest single premium, we will be able to spend the Maximum Payment Amount under the Tender Offer, taking into account the Total Consideration, Tender Offer Consideration and the prorating described in the following paragraph; or
- in the event that the purchase of all Notes validly tendered (and not validly withdrawn) would result in us spending less than the Maximum Payment Amount under the Tender Offer, the Clearing Premium will be the highest Bid Premium with respect to any Note validly tendered (and not validly withdrawn).

If the purchase of all Notes validly tendered (and not validly withdrawn) at or prior to 12:00 midnight, New York City time, on the Expiration Date with a Bid Price that results in a Bid Premium equal to or less than the Clearing Premium would cause us to spend more than the Maximum Payment Amount in the Tender Offer (taking into account the Total Consideration and the Tender Offer Consideration given such Clearing Premium, but excluding Accrued Interest), then the Tender Offer will be oversubscribed and we will accept for payment such tendered Notes as follows:

- first, we will accept for purchase all Notes validly tendered (and not validly withdrawn) with a Bid Price that results in a Bid Premium less than the Clearing Premium;

- second, we will accept for purchase Notes that are validly tendered (and not validly withdrawn) with a Bid Price that results in a Bid Premium equal to the Clearing Premium on a prorated basis according to the principal amount of such Notes.

To avoid purchases of Notes in principal amounts other than integral multiples of US\$1,000, if necessary, we will make appropriate adjustments downward to the nearest US\$1,000 principal amount with respect to each Holder validly tendering (and not validly withdrawing) Notes at a Bid Premium equal to the Clearing Premium. All Notes not accepted as a result of proration and all tenders of Notes with a Bid Premium in excess of the Clearing Premium will be rejected from the Tender Offer and will be returned to tendering Holders at our expense promptly following the earlier of the Expiration Date or the date on which the Tender Offer is terminated. Rede will announce the results of proration by press release after the Expiration Date.

All Holders whose Notes are accepted in the Tender Offer will receive the Total Consideration for such Notes (subject to reduction by the amount of the Early Tender Payment in the case of Notes that are tendered following the Early Tender Date and at or prior to the Expiration Date) even if they tendered at a Bid Price that results in a Bid Premium that was less than the Clearing Premium. Accordingly, any Holder whose Notes are accepted in the Tender Offer will receive no less than the Total Consideration specified by that Holder, except that Holders who tender following the Early Tender Date will not receive the Early Tender Payment and, accordingly, may receive less than their actual Bid Price.

The table below illustrates (1) the Total Consideration and the Tender Offer Consideration (which excludes the Early Tender Payment) per US\$1,000 principal amount of Notes tendered and accepted for purchase depending on the Clearing Premium, and (2) for illustrative purposes only, the principal amount of the Notes that would be purchased at each Clearing Premium, (a) based on a Maximum Payment Amount of US\$152,083,545 (the amount of the Maximum Payment Amount if this amount were calculated using the PTAX Exchange Rate at May 29, 2009 of US\$1.00=R\$1.9726), and (b) assuming that the Tender Offer is fully subscribed and that all Holders receive the Total Consideration or the Tender Offer Consideration, as the case may be.

Clearing Premium	Total Consideration	Principal Amount of Notes to be Purchased (1) (in U.S. dollars)	Tender Offer Consideration	Principal Amount of Notes to be Purchased (2)
US\$0.00	US\$450.00	US\$337,963,000	US\$400.00	US\$380,208,000
10.00	460.00	330,616,000	410.00	370,935,000
20.00	470.00	323,582,000	420.00	362,103,000
30.00	480.00	316,840,000	430.00	353,682,000
40.00	490.00	310,374,000	440.00	345,644,000
50.00	500.00	304,167,000	450.00	337,963,000
60.00	510.00	298,203,000	460.00	330,616,000
70.00	520.00	292,468,000	470.00	323,582,000
80.00	530.00	286,950,000	480.00	316,840,000

(1) Assumes that all Notes tendered are eligible for the Total Consideration.

(2) Assumes that all Notes tendered are eligible only for the Tender Offer Consideration.

Holders are cautioned that the *real*/U.S. dollar exchange rate fluctuates widely, and the PTAX Exchange Rate at May 29, 2009 may differ significantly from the PTAX Exchange Rate on the Exchange Rate Date. As a result, the minimum and maximum aggregate principal amounts of the Notes that we may purchase, assuming that the Tender Offer is fully subscribed, could vary significantly. For example:

- if the PTAX Exchange Rate on the Exchange Rate Date is US\$1.00=R\$1.8740 (which would represent a 5% appreciation of the *real* against the U.S. dollar from May 29, 2009 to the Exchange Rate Date), the Maximum Payment Amount would be US\$160,087,942, and we would be able to purchase an aggregate principal amount of Notes ranging from (1) US\$302,052,000, assuming that the Tender Offer is fully subscribed, the Clearing Premium is US\$80 and all Holders receive the Total Consideration, to (2) US\$400,219,000, assuming that the Tender Offer is fully subscribed, the Clearing Premium is US\$0 and all Holders receive the Tender Offer Consideration; and

- if the PTAX Exchange Rate on the Exchange Rate Date is US\$1.00=R\$2.0712 (which would represent a 5% depreciation of the *real* against the U.S. dollar from May 29, 2009 to the Exchange Rate Date), the Maximum Payment Amount would be US\$144,841,471, and we would be able to purchase an aggregate principal amount of Notes ranging from (1) US\$273,285,000, assuming that the Tender Offer is fully subscribed, the Clearing Premium is US\$80 and all Holders receive the Total Consideration, to (2) US\$362,103,000, assuming that the Tender Offer is fully subscribed, the Clearing Premium is US\$0 and all Holders receive the Tender Offer Consideration.

Upon the terms and subject to the conditions of the Tender Offer, we will notify Global Bondholder Services Corporation (the “Depository”), promptly after the Expiration Date, which tendered Notes we have accepted for purchase pursuant to the Tender Offer. If you validly tender your Notes (and do not validly withdraw such Notes) and we accept them for purchase, we will pay you the Total Consideration or Tender Offer Consideration, as applicable, and Accrued Interest promptly after the Expiration Date (the date of payment being referred to as the “Settlement Date”). Under no circumstances will any interest be payable because of any delay by or on behalf of The Depository Trust Company (“DTC”) in the transmission of funds to tendering Holders.

NOTWITHSTANDING ANY OTHER PROVISION OF THE OFFER DOCUMENTS (OR AMENDMENTS THEREOF), OUR OBLIGATION TO ACCEPT FOR PURCHASE AND TO PAY FOR ANY NOTES THAT ARE VALIDLY TENDERED AND NOT VALIDLY WITHDRAWN PURSUANT TO THE TENDER OFFER IS CONDITIONED UPON OUR CLOSING PRIOR TO THE EXPIRATION DATE OF AN ISSUANCE OF PROMISSORY NOTES (AS DEFINED UNDER “SOURCE OF FUNDS”) AS TO WHICH WE HAVE RECEIVED A FIRM COMMITMENT FROM A BRAZILIAN FINANCIAL INSTITUTION IN AN AMOUNT SUFFICIENT TO PAY THE TOTAL CONSIDERATION AND/OR THE TENDER OFFER CONSIDERATION, AS APPLICABLE, PER US\$1,000 PRINCIPAL AMOUNT OF NOTES THAT ARE ACCEPTED FOR PURCHASE (THE “FINANCING CONDITION”) AND SATISFACTION OR WAIVER OF THE OTHER CONDITIONS TO THE TENDER OFFER SET FORTH HEREIN. ALTHOUGH WE BELIEVE THAT EACH OF THESE CONDITIONS PRECEDENT WILL BE SATISFIED ON OR PRIOR TO THE EXPIRATION DATE, WE CANNOT ASSURE YOU THAT THESE CONDITIONS PRECEDENT WILL BE SATISFIED. SEE “TERMS OF THE TENDER OFFER—CONDITIONS TO THE TENDER OFFER.”

NONE OF REDE, THE DEALER MANAGERS, THE DEPOSITARY OR THE INFORMATION AGENT MAKES ANY RECOMMENDATION AS TO WHETHER OR NOT HOLDERS SHOULD TENDER THEIR NOTES PURSUANT TO THE TENDER OFFER. EACH HOLDER MUST MAKE ITS OWN DECISION AS TO WHETHER TO TENDER ITS NOTES, AND, IF SO, THE PRINCIPAL AMOUNT OF THE NOTES AS TO WHICH, AND THE BID PRICE AT WHICH, SUCH ACTION IS TO BE TAKEN.

Rede expressly reserves the absolute right in its sole discretion, subject to applicable law, at any time or from time to time, prior to the Expiration Date, regardless of whether any of the events set forth in “Terms of the Tender Offer—Conditions to the Tender Offer” shall have occurred or shall have been determined by us to have occurred, to: (1) waive any and all conditions to the Tender Offer and accept all Notes previously tendered pursuant to the Tender Offer as described under “Terms of the Tender Offer—Conditions to the Tender Offer,” (2) extend the Early Tender Date or the Expiration Date and retain all Notes tendered pursuant to the Tender Offer, subject to the withdrawal rights of Holders as described under “Terms of the Tender Offer—Withdrawal of Tenders,” (3) amend the terms of the Tender Offer in any respect, and (4) terminate the Tender Offer and not accept for purchase any tendered Notes. Any amendment applicable to the Tender Offer will apply to all Notes tendered pursuant to the Tender Offer. See “Terms of the Tender Offer—Expiration Date; Extension, Amendments and Termination.”

Unless expressly stated otherwise, references in this Offer to Purchase to the withdrawal of Notes shall mean a permitted withdrawal as set forth in “Terms of the Tender Offer—Withdrawal of Tenders.” Notes tendered at or prior to the Early Tender Date may only be properly withdrawn at or prior to the Early Tender Date, except in the limited circumstances described below. Notes tendered after the Early Tender Date and at or prior to the Expiration Date may not be withdrawn, except in the limited circumstances described below. Notes tendered and not subsequently withdrawn at or prior to the Early Tender Date and Notes tendered after the Early Tender Date and at or prior to the Expiration Date may be withdrawn only if Rede reduces the amount of the Tender Offer Consideration, the Early Tender Payment or, after the Early Tender Date, the Maximum Payment Amount, or is otherwise required by law (as determined by Rede) to permit withdrawal. Under such circumstances, previously tendered Notes may be properly withdrawn until the expiration of ten business days after the date that notice of such reduction or requirement is first published or given or sent to Holders by Rede. Further, tendered

Notes may be validly withdrawn if the Tender Offer is terminated without any Notes being purchased thereunder. In the event of a termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

In addition, Rede expressly reserves the absolute right, in its sole discretion, from time to time to purchase any Notes that remain outstanding following termination or expiration of the Tender Offer, through open market purchases, privately negotiated transactions, redemption, one or more additional tender or exchange offers or otherwise, on such terms and at such prices as it may determine, which may be more or less than the Total Consideration or the Tender Offer Consideration and could be for cash or other consideration, or may decide to defease the Notes in accordance with the Indenture governing the Notes (the "Indenture").

THE TENDER OFFER IS NOT BEING MADE TO (NOR WILL THE SURRENDER OF SECURITIES FOR PURCHASE BE ACCEPTED FROM OR ON BEHALF OF) HOLDERS OF NOTES IN ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE OF THE TENDER OFFER WOULD BE UNLAWFUL.

NO FEDERAL OR STATE SECURITIES COMMISSION HAS PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFER TO PURCHASE.

TENDER OFFER RESTRICTIONS

General

The Tender Offer is not being made in, or to persons who are citizens or nationals of, or resident in, any jurisdiction or to custodians, nominees and trustees for such persons, except in compliance with the laws and regulations of the relevant jurisdiction. Holders are required to inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person wishing to accept the Tender Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents that may be required and the compliance with any other necessary formalities. The Tender Offer is not being made to, and tenders of Notes by Holders will not be accepted from, any person in any jurisdiction that requires the Tender Offer, or the distribution of the Offer Documents, to be made by a licensed broker or dealer.

United Kingdom

The content of this Offer to Purchase has not been approved by an authorized person for the purposes of Section 21 of the Financial Services and Markets Act 2000. Accordingly, this Offer to Purchase is not being distributed to, and must not be passed on to, the general public in the United Kingdom. Any invitation or inducement to engage in any investment activity included within this Offer to Purchase is made only to, or directed only at, persons falling within Article 19 (investment professionals), Article 43 (members and creditors of certain bodies corporates), Article 49 (high net worth companies, unincorporated associations etc.) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order") or any other persons to whom it may otherwise lawfully be communicated (such persons together being "relevant persons"). This Offer to Purchase must not be acted on or relied upon by persons other than relevant persons. Any invitation or inducement to engage in any investment activity included within this Offer to Purchase is available only to relevant persons and will be engaged in only with relevant persons.

Italy

The Tender Offer is not being made in the Republic of Italy. The Tender Offer and this Offer to Purchase have not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* (CONSOB) pursuant to Italian laws and regulations. Accordingly, the Tender Offer is not made or made available to Holders who are Italian residents or persons located in the Republic of Italy, and they may not submit offers to sell Notes in respect of the Tender Offer and, as such, any offers to sell received from or on behalf of such Holders shall be ineffective and void. Neither this Offer to Purchase nor any other solicitation material relating to the Tender Offer or the Notes may be distributed or made available in the Republic of Italy.

France

This Offer to Purchase has not been submitted and will not be submitted to the clearance procedures of the *Autorité des Marchés Financiers* in France. The Tender Offer does not constitute a public tender offer for the repurchase of Notes nor a public offering of financial instruments in France. Only providers of investment services relating to portfolio management for the account of third parties or qualified investors ("*investisseurs qualifiés*"), all as defined in Articles L.411-1, L.411-2 and D.411.1 of the French *Code Monétaire et Financier*, are eligible to offer to sell Notes.

Belgium

This Offer to Purchase has not been submitted for approval to the Belgian Banking, Finance and Insurance Commission and, accordingly, the Tender Offer may not be made in Belgium by way of a public offering, as defined for the purposes of the law of 22 April 2003 on public offerings of securities and the royal decree of 7 July 1999 on the public nature of financial transactions, as amended or replaced from time to time. Consequently, the Tender Offer is addressed in Belgium exclusively to, and may be accepted only by, holders who wish to tender for Notes with an aggregate value of €250,000 or more, or who are qualifying institutional investors within the meaning of Article 3, 2° of the royal decree of 7 July 1999 acting for their own account.

Germany

Neither the Tender Offer nor this Offer to Purchase constitutes an offer of securities or the solicitation of an offer of securities to the public in Germany under the Securities Prospectus Act (*Wertpapierprospektgesetz*). Accordingly, this Offer to Purchase has not been submitted for approval and has not been approved by the German Federal Financial Supervisory Authority (*Bundesanstalt für Finanzdienstleistungsaufsicht - BaFin*) or any other German public authority.

Spain

Neither the Tender Offer nor this Offer to Purchase constitutes an offer of securities or the solicitation of an offer of securities to the public in Spain under the Spanish Securities Market Law (*Ley 24/1988, de 28 de Julio, del Mercado de Valores*), as amended and restated, and Royal Decree 1310/2005, of 4 November. Accordingly this Offer to Purchase has not been submitted for approval and has not been approved by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*) or any other Spanish public authority.

Holders of Notes should take note of the following dates and times (**all times are New York City time**) in connection with the Tender Offer:

<u>Date</u>	<u>Calendar Date</u>	<u>Event</u>
Commencement Date	Monday, June 1, 2009	Commencement of the Tender Offer upon the terms and subject to the conditions set forth in this Offer to Purchase and the related Letter of Transmittal.
Exchange Rate Date	The business day prior to the Early Tender Date.	The day on which the PTAX Exchange Rate will be determined.
Early Tender Date	5:00 p.m., Friday, June 12, 2009, unless extended or earlier terminated by Rede.	The last day for Holders to tender Notes in order to qualify for the payment of the Total Consideration (which includes the Early Tender Payment). Except in limited circumstances, the last day for Holders to validly withdraw tenders of Notes made at or prior to the Early Tender Date.
Withdrawal Date	5:00 p.m., on the Early Tender Date, unless extended or earlier terminated by Rede (the "Withdrawal Date").	The last day for you to validly withdraw tenders of the Notes.
Notes tendered after the Early Tender Date and at or prior to the Expiration Date may not be withdrawn except in limited circumstances. See "Terms of the Tender Offer—Withdrawal of Tenders".		
Expiration Date	12:00 midnight, Friday, June 26, 2009, unless extended or earlier terminated by Rede.	The last day for Holders to tender Notes pursuant to the Tender Offer. If all conditions to the Tender Offer have been satisfied or waived at or prior to the Expiration Time, Rede will notify the Depository that all Notes validly tendered and not properly withdrawn are accepted for purchase and payment.
Settlement Date	A date promptly following the Expiration Time.	Rede will deposit with DTC for payment to the Holders entitled thereto the amount of cash necessary to pay each Holder, whose Notes are accepted for purchase, the Total Consideration or Tender Offer Consideration, as applicable, and the Accrued Interest.

Rede expressly reserves the absolute right in its sole discretion, subject to applicable law, at any time or from time to time, prior to the Expiration Date, regardless of whether any of the events set forth in "Terms of the Tender Offer—Conditions to the Tender Offer" shall have occurred or shall have been determined by us to have occurred, to: (1) waive any and all conditions to the Tender Offer and accept all Notes previously tendered pursuant to the Tender Offer as described under "Terms of the Tender Offer—Conditions to the Tender Offer," (2) extend the Early Tender Date or the Expiration Date and retain all Notes tendered pursuant to the Tender Offer, subject to the withdrawal rights of Holders as described under "Terms of the Tender Offer—Withdrawal of Tenders," (3) amend the terms of the Tender Offer in any respect, and (4) terminate the Tender Offer and not accept for purchase any tendered Notes. Any amendment applicable to the Tender Offer will apply to all Notes

tendered pursuant to the Tender Offer. See “Terms of the Tender Offer—Expiration Date; Extension, Amendments and Termination.”

IMPORTANT INFORMATION

THIS OFFER TO PURCHASE AND THE ACCOMPANYING LETTER OF TRANSMITTAL CONTAIN IMPORTANT INFORMATION THAT HOLDERS ARE URGED TO READ BEFORE ANY DECISION IS MADE WITH RESPECT TO THE TENDER OFFER.

You are reminded that this Offer to Purchase and the Letter of Transmittal have been delivered to you on the basis that you are a person into whose possession this Offer to Purchase and the Letter of Transmittal may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver this Offer to Purchase or the Letter of Transmittal to any other person.

The Tender Offer is not being made in, or to persons who are citizens or nationals of, or resident in, any jurisdiction or to custodians, nominees and trustees for such persons, except in compliance with the laws and regulations of the relevant jurisdiction. Holders are required to inform themselves about and observe any applicable legal requirements. It is the responsibility of any such person wishing to accept the Tender Offer to satisfy himself as to the full observance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents that may be required and the compliance with any other necessary formalities.

The Tender Offer is not being made to, and tenders of Notes will not be accepted from, any person in any jurisdiction that requires the Tender Offer or the distribution of the Offer Documents to be made by a licensed broker or dealer.

Under no circumstances shall this Offer to Purchase or the Letter of Transmittal constitute the solicitation of an offer to sell or an offer to purchase Notes in any jurisdiction in which, or to or from any person to or from whom, the making or acceptance thereof would not be in compliance with the laws of such jurisdiction.

The delivery of this Offer to Purchase shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or in the affairs of Rede or any of Rede's affiliates since the date hereof. Recipients of this Offer to Purchase or the Letter of Transmittal who intend to accept the Tender Offer are reminded that any acceptance of the Tender Offer may be made only on the basis of the information contained in this Offer to Purchase and the Letter of Transmittal.

NO DEALER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN OR IN THE LETTER OF TRANSMITTAL AND, IF GIVEN OR MADE, SUCH INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY REDE, THE DEPOSITARY, THE INFORMATION AGENT OR THE DEALER MANAGERS.

This Offer to Purchase has not been filed with or reviewed by any federal or state securities commission or authority of any jurisdiction, nor has any such commission or authority passed upon the accuracy or adequacy of this Offer to Purchase. Any representation to the contrary is unlawful and may be a criminal offense.

See "Certain U.S. Federal Income Tax Considerations" for a discussion of certain United States federal income tax considerations that should be considered carefully in evaluating the Tender Offer.

There are no guaranteed delivery provisions provided for by Rede in conjunction with the Tender Offer under the terms of this Offer to Purchase. Holders must tender their Notes in accordance with the procedures set forth under "Terms of the Tender Offer—Procedures for Tendering Notes."

This Offer to Purchase and the Letter of Transmittal may have been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and, consequently, none of Rede, the Dealer Managers, the Information Agent or the Depositary, or any person who controls any of them nor any director, officer, employee nor agent of any of them or affiliate of any such

person accepts any liability or responsibility whatsoever in respect of any difference between the Offer to Purchase and the Letter of Transmittal distributed to you in electronic format and the hard copy version available to you on request from the Information Agent.

None of the Dealer Managers, the Information Agent or the Depository assumes any responsibility for the accuracy or completeness of the information concerning Rede contained in this Offer to Purchase or for any failure by Rede to disclose events that may have occurred and may affect the significance or accuracy of such information.

A beneficial owner whose Notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee must contact such broker, dealer, commercial bank, trust company or other nominee if such beneficial owner desires to tender Notes so registered. Any Holder or beneficial owner that has questions concerning tender procedures should contact the Depository at the address and telephone number set forth on the last page of this Offer to Purchase.

DTC has authorized DTC participants that hold Notes on behalf of beneficial owners to tender such Notes as if they were Holders. To effect a tender, DTC participants may, in lieu of delivering a Letter of Transmittal, transmit their acceptance to DTC through DTC's Automated Tender Offer Program ("ATOP"), for which the transaction will be eligible, and follow the procedure for book-entry transfer set forth under "Terms of the Tender Offer—Procedures for Tendering Notes."

To be valid, tenders of Notes must be received by the Depository (and not withdrawn) at or prior to 12:00 midnight, New York City time, on the Expiration Date.

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET OUT HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE TENDER OFFER. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

RECIPIENTS OF THIS OFFER TO PURCHASE AND THE LETTER OF TRANSMITTAL SHOULD NOT CONSTRUE THE CONTENTS HEREOF OR THEREOF AS LEGAL, BUSINESS OR TAX ADVICE. EACH RECIPIENT SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISOR AND TAX ADVISOR AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THIS OFFER TO PURCHASE.

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SUMMARY

The following summary highlights material information in this Offer to Purchase and the Letter of Transmittal, but is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Offer to Purchase and in the Letter of Transmittal. Holders are urged to read the more detailed information set forth in this Offer to Purchase and in the Letter of Transmittal. Capitalized terms used in this Summary and not defined herein have the meanings set forth elsewhere in this Offer to Purchase.

If you have questions, please call the Information Agent or the Dealer Managers at their respective telephone numbers on the last page of this Offer to Purchase.

The Offeror	Rede Energia S.A..
Notes Subject to the Tender Offer	11.125% Perpetual Notes of Rede (CUSIP No. 75734PAA7 and ISIN No. USP8001VAD84). As of May 29, 2009, the outstanding principal amount of the Notes was US\$575.0 million.
The Tender Offer	We are making a tender offer for the maximum aggregate principal amount of our Notes that we can purchase for the U.S. dollar equivalent of R\$300,000,000, calculated as provided herein at a purchase price per US\$1,000 principal amount determined in accordance with the procedures set forth below. The Tender Offer is not conditioned on any minimum amount of Notes being tendered.
Expiration Date	The Tender Offer will expire at 12:00 midnight, New York City time, on Friday, June 26, 2009, unless extended or otherwise earlier terminated by Rede in its sole discretion.
Early Tender Date	The Early Tender Date for the Tender Offer is 5:00 p.m., New York City time, on Friday, June 12, 2009, unless extended or earlier terminated.
Total Consideration	<p>The Total Consideration for each US\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer at or prior to the Early Tender Date and accepted for purchase by us (subject to proration) will be equal to the sum of (1) the Base Price, which is US\$450 per US\$1,000 principal amount of Notes, and (2) the Clearing Premium, which Clearing Premium is determined pursuant to a modified Dutch Auction as described herein. The Total Consideration includes an Early Tender Payment equal to US\$50 for each US\$1,000 principal amount of Notes accepted for purchase.</p> <p>Holders must validly tender and not validly withdraw their Notes at or prior to the Early Tender Date in order to be eligible to receive the Total Consideration, which includes the Early Tender Payment. Holders validly tendering their Notes after the Early Tender Date and at or prior to the Expiration Date will only be eligible to receive the Tender Offer Consideration (which may be less than their Bid Price) and will not be eligible to receive the Early Tender Payment.</p>
Tender Offer Consideration	The Tender Offer Consideration for each US\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) pursuant to the

Tender Offer after the Early Tender Date and at or prior to the Expiration Date and accepted for purchase by us (subject to proration) will be equal to the Total Consideration *less* the Early Tender Payment. In some circumstances, this may be less than the applicable Bid Price of some Notes tendered and accepted after the Early Tender Date.

Early Tender Payment.....

US\$50 for each US\$1,000 principal amount of Notes validly tendered at or prior to 5:00 p.m., New York City time, on the Early Tender Date and accepted for purchase.

Accrued Interest.....

Subject to the terms and conditions of this Offer to Purchase, if your Notes are accepted for purchase in the Tender Offer, in addition to the Total Consideration or Tender Offer Consideration, as applicable, you will also be paid in cash the amount of Accrued Interest on your accepted Notes from the last interest payment date for such Notes preceding the Settlement Date up to, but not including, the Settlement Date.

Maximum Payment Amount.....

The Maximum Payment Amount will be equal to the U.S. dollar equivalent of R\$300,000,000 based on the PTAX Exchange Rate on the Exchange Rate Date, which is the business day prior to the Early Tender Date. For reference, the PTAX Exchange Rate on May 29, 2009 was US\$1.00=R\$1.9726, and based on this exchange rate, the Maximum Payment Amount would have been US\$152,083,545. Rede will announce the U.S. dollar amount of the Maximum Payment Amount by press release promptly following the determination of the Maximum Payment Amount.

Determination of Bid Price.....

The Tender Offer is being conducted as a modified Dutch Auction. This means that if you elect to participate, you must specify the minimum Total Consideration (your Bid Price) you would be willing to receive in exchange for each US\$1,000 principal amount of Notes you choose to tender in the Tender Offer. The Bid Price that you specify for each US\$1,000 principal amount Notes must be in increments of US\$2.50, and may not be more than US\$80 in excess of the Base Price. Each Holder tendering Notes in the Tender Offer is to submit a Bid Price; however, Holders who tender Notes without specifying a Bid Price will be deemed to have specified the Base Price as their Bid Price and to accept the Clearing Premium determined by us in accordance with the terms of the Tender Offer. Tenders of Notes for which the Bid Price is below the Base Price or in excess of the sum of the Base Price and US\$80 will not be accepted and will not be used for purposes of calculating the Clearing Premium.

Determination of the Total Consideration and Tender Offer Consideration.....

Whether and to what extent your tendered Notes are accepted for purchase in the Tender Offer will depend upon how the Bid Premium specified by you compares to Bid Premiums specified by other tendering Holders of Notes. Specifically, on the Expiration Date:

- for each tender of Notes, we will determine the Bid Premium for such tender by subtracting the Base Price from the Bid

Price specified for such Notes;

- we will use all the Bid Premiums received to calculate a Clearing Premium in accordance with the procedure set forth below;
- the Total Consideration payable for the Notes will be equal to the Clearing Premium plus the Base Price; and
- the Tender Offer Consideration payable for the Notes will be equal to the Total Consideration *less* the Early Tender Payment.

Clearing Premium.....

The Clearing Premium for the Notes will be determined by consideration of the Bid Premiums of all validly tendered (and not validly withdrawn) Notes, in order of lowest to highest Bid Premiums. The Clearing Premium will be:

- the lowest single premium for all tenders of Notes such that, for all tenders of Notes whose Bid Price results in a Bid Premium equal to or less than this lowest single premium, we will be able to spend the Maximum Payment Amount under the Tender Offer, taking into account the Total Consideration, Tender Offer Consideration and the prorating; or
- in the event that the purchase of all Notes validly tendered (and not validly withdrawn) would result in us spending less than the Maximum Payment Amount under the Tender Offer, the Clearing Premium will be the highest Bid Premium with respect to any Note validly tendered (and not validly withdrawn).

Proration.....

If the purchase of all Notes validly tendered (and not validly withdrawn) at or prior to 12:00 midnight, New York City time, on the Expiration Date with a Bid Price that results in a Bid Premium equal to or less than the Clearing Premium would cause us to spend more than the Maximum Payment Amount in the Tender Offer (taking into account the Total Consideration and the Tender Offer Consideration given such Clearing Premium, but excluding Accrued Interest), then the Tender Offer will be oversubscribed and we will accept for payment such tendered Notes as follows:

- first, we will accept for purchase all Notes validly tendered (and not validly withdrawn) with a Bid Price that results in a Bid Premium less than the Clearing Premium;
- second, we will accept for purchase Notes that are validly tendered (and not validly withdrawn) with a Bid Price that results in a Bid Premium equal to the Clearing Premium on a prorated basis according to the principal amount of such Notes.

To avoid purchases of Notes in principal amounts other than integral multiples of US\$1,000, if necessary, we will make appropriate

adjustments downward to the nearest US\$1,000 principal amount with respect to each Holder validly tendering (and not validly withdrawing) Notes at a Bid Premium equal to the Clearing Premium.

All Notes not accepted as a result of proration and all tenders of Notes with a Bid Premium in excess of the Clearing Premium will be rejected from the Tender Offer.

Settlement Date

The “Settlement Date” for the Tender Offer is expected to be promptly after the Expiration Date. The Total Consideration or the Tender Offer Consideration, as the case may be, and Accrued Interest on Notes accepted by us for purchase will be payable on the Settlement Date.

How to Tender Notes

See “Terms of the Tender Offer—Procedures for Tendering Notes.” For further information, contact the Information Agent or the Dealer Managers at their respective telephone numbers set forth on the last page of this Offer to Purchase or consult your broker, dealer, commercial bank or trust company or other nominee for assistance.

Withdrawal Rights.....

Notes tendered at or prior to the Early Tender Date may only be properly withdrawn at or prior to the Early Tender Date, but not thereafter, except in the limited circumstances described below. Notes tendered after the Early Tender Date and prior to the Expiration Date may not be withdrawn, except in the limited circumstances described below.

Notes tendered and not subsequently withdrawn at or prior to the Early Tender Date and Notes tendered after the Early Tender Date and at or prior to the Expiration Date may be withdrawn only if Rede reduces the amount of the Tender Offer Consideration, the Early Tender Payment or, after the Early Tender Date, the Maximum Payment Amount, or is otherwise required by law (as determined by Rede) to permit withdrawal. Under such circumstances, previously tendered Notes may be properly withdrawn until the expiration of ten business days after the date that notice of such reduction or requirement is first published or given or sent to Holders by Rede. Further, tendered Notes may be validly withdrawn if the Tender Offer is terminated without any Notes being purchased thereunder. In the event of a termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

See “Terms of the Tender Offer—Withdrawal of Tenders.”

Purpose of the Tender Offer and Source of Funds

The purpose of the Tender Offer is to retire a portion of our outstanding debt.

We intend to use a portion of the proceeds of the issuance of a single series of Promissory Notes, described under “Source of Funds,” to acquire the Notes that we accept for purchase pursuant to the Tender Offer and to cover any related fees and expenses.

We have received a firm commitment for the underwriting of the

issuance of the Promissory Notes in an aggregate principal amount equal to R\$320 million from Banco do Nordeste S.A., a Brazilian financial institution. This commitment is subject to certain conditions precedent. Although we believe that each of these conditions precedent will be satisfied on or prior to the Expiration Date, we cannot assure you that these conditions precedent will be satisfied. See “Source of Funds.”

Certain Conditions Precedent to the Tender Offer

Notwithstanding any other provision of the Offer Documents (or any amendments thereof), Rede will not be required to accept for purchase, purchase or pay for any tendered Notes, may terminate the Tender Offer, and may, subject to Rule 14e-1(c) under the United States Securities Exchange Act of 1934, as amended (the “Exchange Act”), delay the acceptance for purchase of, or payment for, any Notes tendered, if:

- the Financing Condition, which requires that Rede close prior to the Expiration Date its issuance of Promissory Notes as to which it has received a firm commitment from a Brazilian financial institution in an amount sufficient to pay the Total Consideration and/or the Tender Offer Consideration, as applicable, per US\$1,000 principal amount of Notes that are accepted for purchase, shall not have been satisfied; or
- any other condition to the consummation of the Tender Offer remains unsatisfied.

Rede reserves the right to waive any and all conditions of the Tender Offer at any time prior to the Expiration Date. See “Terms of the Tender Offer—Conditions to the Tender Offer.”

Waivers; Extensions; Amendments; Terminations

Rede expressly reserves the absolute right in its sole discretion, subject to applicable law, at any time or from time to time, prior to the Expiration Date, regardless of whether any of the events set forth in “Terms of the Tender Offer—Conditions to the Tender Offer” shall have occurred or shall have been determined by us to have occurred, to: (1) waive any and all conditions to the Tender Offer and accept all Notes previously tendered pursuant to the Tender Offer as described under “Terms of the Tender Offer—Conditions to the Tender Offer,” (2) extend the Early Tender Date or the Expiration Date and retain all Notes tendered pursuant to the Tender Offer, subject to the withdrawal rights of Holders as described under “Terms of the Tender Offer—Withdrawal of Tenders,” (3) amend the terms of the Tender Offer in any respect, and (4) terminate the Tender Offer and not accept for purchase any tendered Notes. Any amendment applicable to the Tender Offer will apply to all Notes tendered pursuant to the Tender Offer. See “Terms of the Tender Offer—Expiration Date; Extension, Amendments and Termination.”

Payment of Solicitation Fee

A solicitation fee will be paid to certain banks and financial institutions for soliciting tenders of the Notes. A solicitation fee in respect of tenders of Notes in principal amounts less than

US\$250,000 of US\$2.50 per US\$1,000 in principal amount of Notes tendered, not validly withdrawn and accepted for purchase and paid pursuant to the Tender Offer will be paid by the Dealer Managers to the bank or financial institution, if any, designated by the beneficial owner of such Notes. Rede will reimburse the Dealer Managers for amounts paid with respect to this solicitation fee.

Brokerage Commissions No brokerage commissions are payable by Holders of the Notes to the Dealer Managers, the Information Agent, Rede or the Depository.

Certain U.S. Federal Income Tax Consequences..... For a summary of the federal income tax consequences of the Tender Offer, see “Certain U.S. Federal Income Tax Considerations.”

Dealer Managers Banc of America Securities LLC and Planner Securities LLC.

Depository and Information Agent..... Global Bondholder Services Corporation.

Further Information Any questions and requests for assistance may be directed to the Dealer Managers at their respective addresses and telephone numbers set forth in the last page of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal and related materials may be obtained by contacting the Information Agent at the telephone number and address set forth in the last page of this Offer to Purchase. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Tender Offer.

Certain Consequences to Holders of Notes Not Tendering..... Consummation of the Tender Offer may have adverse consequences for Holders of Notes who elect not to tender Notes in the Tender Offer, including that the trading market for Notes not tendered in response to the Tender Offer is likely to be significantly more limited than prior to the Tender Offer.

For a discussion of certain factors that should be considered in evaluating the Tender Offer, see “Considerations for Holders of Notes.”

REDE

Rede is a Brazilian electricity holding company and, through its subsidiaries, engages in the distribution, generation and trading of electricity in Brazil. Rede's combined concession areas are geographically the largest in Brazil, covering approximately 34% of Brazil's land mass and with a total combined population of approximately 16 million. Rede currently supplies electricity to approximately 4.2 million customers in 578 municipalities (*municípios*) in six Brazilian states. In 2008, Rede distributed 15,995 GWh of energy and recorded net income of R\$205.3 million and gross operating revenue of R\$6,075.1 million. During the three months ended March 31, 2009, Rede distributed 4,433 GWh of energy and recorded a net loss of R\$67.4 million and gross operating revenue of R\$1,722.5 million. Rede's total consolidated assets were R\$11,334.2 million as of December 31, 2008 and R\$11,343.4 million as of March 31, 2009.

Rede's principal business activity is the distribution of electricity through Centrais Elétricas Matogrossenses S.A.—CEMAT, Centrais Elétricas do Pará S.A.—CELPA, Companhia de Energia Elétrica do Estado do Tocantins—CELTINS, Empresa Energética do Mato Grosso do Sul S.A.—ENERSUL, and five additional companies that comprise Rede's REDE SUL/SUDESTE operating unit. Rede's generation activities complement its electricity distribution activities and are carried out through its equity ownership interests in Tangará Energia S.A., which operates through a concession agreement the Guaporé hydroelectric plant, and Juruena Energia S.A., which operates through a concession agreement the Juína and Aripuanã hydroelectric plants. In addition, Rede's distribution companies own and operate 40 small thermoelectric plants. Rede also conducts electricity trading operations through its subsidiary Rede Comercializadora de Energia S.A., and provides engineering design and construction services through its subsidiary Rede Eletricidade e Serviços S.A.

PURPOSE OF THE TENDER OFFER

The purpose of the Tender Offer is to retire a portion of our outstanding debt. Rede expressly reserves the absolute right, in its sole discretion, from time to time to purchase any Notes that remain outstanding following termination or expiration of the Tender Offer, through open market purchases, privately negotiated transactions, redemption, one or more additional tender or exchange offers or otherwise, on such terms and at such prices as it may determine, which may be more or less than the Total Consideration or the Tender Offer Consideration and could be for cash or other consideration, or may decide to defease the Notes in accordance with the Indenture.

SOURCE OF FUNDS

We intend to use a portion of the proceeds of the issuance of a single series of promissory notes (described below) to acquire the Notes that we accept for purchase pursuant to the Tender Offer and to cover any related fees and expenses. The Tender Offer is conditioned upon our closing prior to the Expiration Date of an issuance of Promissory Notes (the "Promissory Notes") as to which we have received a firm commitment from Banco do Nordeste S.A., a Brazilian financial institution, in an amount sufficient to pay the Total Consideration and/or the Tender Offer Consideration, as applicable, per US\$1,000 principal amount of Notes that are accepted for purchase, and the satisfaction of the other conditions to the Tender Offer set forth herein. We will return all tendered Notes promptly if any of these conditions is not satisfied or waived. See "Terms of the Tender Offer—Conditions to the Tender Offer."

We expect to issue the Promissory Notes in a single series in an aggregate principal amount of R\$320 million on a date prior to the Settlement Date. The principal amount of the Promissory Notes will be payable in 360 days from the date of their issuance, and the Promissory Notes will bear interest at 120% of the Interbank Certificate of Deposit (*Taxa DI-CETIP Over "extra-grupo"*), or *Taxa DI*, rate, a Brazilian interbank rate, per annum, payable semi-annually in arrears. As of May 29, 2009, the *Taxa DI* rate was equal to 10.01%. We will have the right to redeem the Promissory Notes at any time using the proceeds of the issuance of the debentures described below. Our obligations under the Promissory Notes will be guaranteed by our controlling shareholder.

We have received a firm commitment for the underwriting of the issuance of the Promissory Notes in an aggregate principal amount equal to R\$320 million from Banco do Nordeste S.A., a Brazilian financial institution, which commitment is subject to, among other conditions precedent, approval from the Brazilian Securities Commission (*Comissão de Valores Mobiliários*), or the CVM, for the issuance of the Promissory Notes, completion of due diligence to the satisfaction of Banco do Nordeste S.A., and customary market-out clauses and other closing conditions. We intend to use all of the net proceeds that we receive from the issuance of the Promissory Notes to acquire the Notes that we accept for purchase pursuant to the Tender

Offer and to pay any related fees and expenses, and to repay a portion of our other indebtedness (to the extent that we do not use all of the net proceeds to acquire Notes in the Tender Offer).

We expect to repay R\$300 million of the Promissory Notes with the proceeds of the issuance of a single series of non-convertible debentures in an aggregate principal amount of R\$300 million, which will be offered publicly in Brazil. We have received a firm commitment for the underwriting of the issuance of these debentures in an aggregate principal amount of R\$300 million from Banco do Nordeste S.A., which commitment is subject to, among other conditions precedent, approval from the CVM for the issuance of the debentures, our ability to obtain a particular rating (to be agreed) for the debentures from a ratings agency, the completion of due diligence to the satisfaction of Banco do Nordeste S.A., and customary market-out clauses and other closing conditions. The principal amount of these debentures will have a final maturity that is five years from the date of their issuance, with semi-annual principal amortization commencing after a two-year grace period following their date of issuance. The debentures will bear interest, payable semi-annually in arrears, at 125% of the *Taxa DI* rate per annum. Redemption rights and certain other terms of the debentures will be agreed in conjunction with Banco do Nordeste S.A. Our obligations under the debentures will be guaranteed by our controlling shareholder.

AVAILABLE INFORMATION

Questions and requests for assistance or for additional copies of this Offer to Purchase or any other documents may be directed to the Information Agent, and questions regarding the terms of the Tender Offer may be directed to the Dealer Managers, at their respective addresses and telephone numbers set forth on the last page of this Offer to Purchase. Beneficial owners may also contact their broker, dealer, commercial bank, trust company or other nominee through whom they hold the Notes with questions and requests for assistance.

CONSIDERATIONS FOR HOLDERS OF NOTES

In deciding whether to participate in the Tender Offer, each Holder should consider carefully, in addition to the other information contained herein, the following.

If you do not tender your Notes and the Tender Offer is consummated, there will be a smaller trading market for your existing Notes and the market price of your existing Notes may decline.

The Notes are listed on the Euro MTF Market, the alternative market of the Luxembourg Stock Exchange. The Notes are not listed on any public securities exchange in the United States or reported on a national quotation system. To the extent that the Notes are traded, prices of the Notes may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Quotations for Notes may differ from actual trading prices and should be viewed as approximations. Holders are urged to obtain current information with respect to the market prices for the Notes.

Although Rede believes that the trading activity for the Notes is currently limited, to the extent that Notes are tendered and accepted in the Tender Offer, the trading markets for the Notes that remain outstanding thereafter will become more limited. A debt security with a small outstanding principal amount available for trading (a smaller “float”) may command a lower price than would a comparable debt security with a greater float. Therefore, the market price for Notes not tendered or not purchased may be affected adversely to the extent the amount of Notes tendered and purchased pursuant to the Tender Offer reduces the float of the Notes. The reduced float may also tend to make the trading price more volatile. We cannot assure you that any trading market will exist for the Notes following the Tender Offer. The extent of the market for the Notes following consummation of the Tender Offer would depend upon the number of Holders that remain at such time, the interest in maintaining a market in the Notes on the part of securities firms, and other factors.

We may purchase the Notes after the expiration of the Tender Offer on terms less favorable than those proposed in the Tender Offer.

Rede expressly reserves the absolute right, in its sole discretion, from time to time to purchase any Notes that remain outstanding following termination or expiration of the Tender Offer, through open market purchases, privately negotiated transactions, redemption, one or more additional tender or exchange offers or otherwise, on such terms and at such prices as it may determine, which may be more or less than the Total Consideration or the Tender Offer Consideration and could be for cash or other consideration, or may decide to defease the Notes in accordance with the Indenture.

TERMS OF THE TENDER OFFER

General

Upon the terms and subject to the conditions set forth in the Offer Documents, Rede we are offering to purchase for cash the maximum aggregate principal amount of the Notes that we can purchase for the U.S. dollar equivalent of R\$300,000,000, calculated as provided herein, at a purchase price per US\$1,000 principal amount determined in accordance with the procedures set forth below. In addition, Holders who tender Notes that are accepted for purchase by us will receive a cash payment representing the accrued and unpaid interest on those Notes from the last interest payment date to, but not including, the Settlement Date for Notes purchased by us pursuant to the Tender Offer. The Tender Offer is not conditioned on any minimum amount of Notes being tendered.

The “Total Consideration” for each US\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer at or prior to 5:00 p.m., New York City time, on the Early Tender Date and accepted for purchase by us will be equal to the sum of (1) the Base Price, which is US\$450 per US\$1,000 principal amount of Notes, and (2) the Clearing Premium, which Clearing Premium will be determined pursuant to a modified Dutch Auction as described below. The Total Consideration includes an Early Tender Payment equal to US\$50 for each US\$1,000 principal amount of Notes accepted for purchase.

The Tender Offer Consideration for each US\$1,000 principal amount of Notes validly tendered (and not validly withdrawn) pursuant to the Tender Offer after the Early Tender Date and at or prior to 12:00 midnight, New York City time, on the Expiration Date and accepted for purchase by us will be equal to the Total Consideration *less* the Early Tender Payment.

The following table sets forth the security description, the CUSIP and ISIN numbers, the aggregate principal amount of the Notes outstanding, the maximum principal amount of Notes to be purchased, the range of the principal amount of Notes to be purchased, the Early Tender Payment and the Total Consideration.

Security Description	CUSIP No. and ISIN No.	Outstanding Principal Amount ⁽¹⁾	Range of Principal Amount of Notes to be Purchased ⁽²⁾	Early Tender Payment ⁽³⁾	Total Consideration (Acceptable Bid Price Range) ⁽³⁾⁽⁴⁾
11.125% Perpetual Notes	75734PAA7 USP8001VAD84	US\$575,000,000	US\$286,950,000 To US\$380,208,000	US\$50	US\$450 – US\$530

⁽¹⁾ Aggregate principal amount of the Notes outstanding as of May 29, 2009.

⁽²⁾ Calculated (1) based on a Maximum Payment Amount of US\$152,083,545 (the amount of the Maximum Payment Amount if this amount were calculated using the PTAX Exchange Rate at May 29, 2009 of US\$1.00=R\$1.9726), and (2) assuming that the Tender Offer is fully subscribed. Holders are cautioned that the *real*/U.S. dollar exchange rate fluctuates widely, and the PTAX Exchange Rate at May 29, 2009 may differ significantly from the PTAX Exchange Rate on the Exchange Rate Date. As a result, the minimum and maximum aggregate principal amounts of the Notes that we may purchase, assuming that the Tender Offer is fully subscribed, could vary significantly.

⁽³⁾ Per US\$1,000 principal amount of Notes that are accepted for purchase.

⁽⁴⁾ Includes the Early Tender Payment.

Holders must validly tender and not validly withdraw their Notes at or prior to the Early Tender Date in order to be eligible to receive the Early Tender Payment. Holders validly tendering their Notes after the Early Tender Date and at or prior to the Expiration Date will only be eligible to receive the Tender Offer Consideration and not the Early Tender Payment.

The Total Consideration or the Tender Offer Consideration, as the case may be, together with the Accrued Interest will be payable in cash on the Settlement Date to those Holders whose Notes are accepted for purchase in the Tender Offer.

The Maximum Payment Amount will be equal to the U.S. dollar equivalent of R\$300,000,000 based on the PTAX Exchange Rate on the Exchange Rate Date. For reference, the PTAX Exchange Rate on May 29, 2009 was US\$1.00=R\$1.9726, and based on this exchange rate, the Maximum Payment Amount would have been US\$152,083,545. Rede will announce the U.S. dollar amount of the Maximum Payment Amount by press release promptly following the determination of the Maximum Payment Amount.

The Tender Offer is being conducted as a modified Dutch Auction. This means that if you elect to participate, you must specify the minimum Total Consideration (your Bid Price) you would be willing to receive in exchange for each US\$1,000 principal amount of Notes you choose to tender in the Tender Offer. The Bid Price that you specify for each US\$1,000 principal amount Notes must be in increments of US\$2.50, and may not be more than US\$80 in excess of the Base Price (as described below). **Tenders of Notes for which the Bid Price is below the Base Price or in excess of the sum of the Base Price and US\$80 will not be accepted and will not be used for purposes of calculating the Clearing Premium.** If any Bid Price is not submitted in a whole increment of US\$2.50, such Bid Price will be rounded down to the nearest US\$2.50 increment. The Base Price and permissible ranges of Bid Prices for Notes is as follows:

<u>Base Price(1)</u>	<u>Minimum Total Consideration(1)(2)</u>	<u>Maximum Total Consideration(1)(2)</u>
US\$450	US\$450	US\$530

(1) Per US\$1,000 principal amount of Notes that are accepted for purchase.

(2) Includes the Early Tender Payment.

The Bid Price specified by you (or deemed to have been specified by you) will include the Early Tender Payment, which you will only be entitled to receive for Notes that you validly tender, and do not validly withdraw, at or prior to the Early Tender Date, and that are accepted by us for purchase in the Tender Offer. If you tender after the Early Tender Date and at or prior to the Expiration Date, your Bid Price will be used for purposes of calculating the Bid Premium, but you will only receive the Tender Offer Consideration and not the Early Tender Payment. Each Holder tendering Notes in the Tender Offer is to submit a Bid Price; however, Holders who tender Notes without specifying a Bid Price will be deemed to have specified the Base Price as their Bid Price and to accept the Clearing Premium determined by us in accordance with the terms of the Tender Offer.

Whether and to what extent your tendered Notes are accepted for purchase in the Tender Offer will depend upon how the Bid Premium specified by you compares to Bid Premiums specified by other tendering Holders of Notes. Specifically, on the Expiration Date:

- for each tender of Notes, we will determine the “Bid Premium” for such tender by subtracting the Base Price from the Bid Price specified for such Notes;
- we will use all the Bid Premiums received to calculate a Clearing Premium in accordance with the procedure set forth below;
- the Total Consideration payable for the Notes will be equal to the Clearing Premium plus the Base Price; and
- the Tender Offer Consideration payable for the Notes will be equal to the Total Consideration *less* the Early Tender Payment.

The Clearing Premium for the Notes will be determined by consideration of the Bid Premiums of all validly tendered (and not validly withdrawn) Notes, in order of lowest to highest Bid Premiums. The Clearing Premium will be:

- the lowest single premium for all tenders of Notes such that, for all tenders of Notes whose Bid Price results in a Bid Premium equal to or less than this lowest single premium, we will be able to spend the Maximum Payment Amount under the Tender Offer, taking into account the Total Consideration, Tender Offer Consideration and the prorating described in the following paragraph; or
- in the event that the purchase of all Notes validly tendered (and not validly withdrawn) would result in us spending less than the Maximum Payment Amount under the Tender Offer, the Clearing Premium will be the highest Bid Premium with respect to any Note validly tendered (and not validly withdrawn).

If the purchase of all Notes validly tendered (and not validly withdrawn) at or prior to 12:00 midnight, New York City time, on the Expiration Date with a Bid Price that results in a Bid Premium equal to or less than the Clearing Premium would cause us to spend more than the Maximum Payment Amount in the Tender Offer (taking into account the Total Consideration

and the Tender Offer Consideration given such Clearing Premium, but excluding Accrued Interest), then the Tender Offer will be oversubscribed and we will accept for payment such tendered Notes as follows:

- first, we will accept for purchase all Notes validly tendered (and not validly withdrawn) with a Bid Price that results in a Bid Premium less than the Clearing Premium;
- second, we will accept for purchase Notes that are validly tendered (and not validly withdrawn) with a Bid Price that results in a Bid Premium equal to the Clearing Premium on a prorated basis according to the principal amount of such Notes.

Tenders of Notes will be accepted only in principal amounts of US\$1,000 or any integral multiple of US\$1,000 in excess thereof. To avoid purchases of Notes in principal amounts other than integral multiples of US\$1,000, if necessary, we will make appropriate adjustments downward to the nearest US\$1,000 principal amount with respect to each Holder validly tendering (and not validly withdrawing) Notes at a Bid Premium equal to the Clearing Premium. All Notes not accepted as a result of proration and all tenders of Notes with a Bid Premium in excess of the Clearing Premium will be rejected from the Tender Offer and will be returned to tendering Holders at our expense promptly following the earlier of the Expiration Date or the date on which the Tender Offer is terminated. Rede will announce the results of proration by press release after the Expiration Date.

All Holders whose Notes are accepted in the Tender Offer will receive the Total Consideration for such Notes (subject to reduction by the amount of the Early Tender Payment in the case of Notes that are tendered following the Early Tender Date and at or prior to the Expiration Date) even if they tendered at a Bid Price that results in a Bid Premium that was less than the Clearing Premium. Accordingly, any Holder whose Notes are accepted in the Tender Offer will receive no less than the Total Consideration specified by that Holder, except that Holders who tender following the Early Tender Date will not receive the Early Tender Payment and, accordingly, may receive less than their actual Bid Price.

The table below illustrates (1) the Total Consideration and the Tender Offer Consideration (which excludes the Early Tender Payment) per US\$1,000 principal amount of Notes tendered and accepted for purchase depending on the Clearing Premium, and (2) for illustrative purposes only, the principal amount of the Notes that would be purchased at each Clearing Premium, (a) based on a Maximum Payment Amount of US\$152,083,545 (the amount of the Maximum Payment Amount if this amount were calculated using the PTAX Exchange Rate at May 29, 2009 of US\$1.00=R\$1.9726), and (b) assuming that the Tender Offer is fully subscribed and that all Holders receive the Total Consideration or the Tender Offer Consideration, as the case may be.

Clearing Premium	Total Consideration	Principal Amount of Notes to be Purchased (1) (in U.S. dollars)	Tender Offer Consideration	Principal Amount of Notes to be Purchased (2)
US\$0.00	US\$450.00	US\$337,963,000	US\$400.00	US\$380,208,000
10.00	460.00	330,616,000	410.00	370,935,000
20.00	470.00	323,582,000	420.00	362,103,000
30.00	480.00	316,840,000	430.00	353,682,000
40.00	490.00	310,374,000	440.00	345,644,000
50.00	500.00	304,167,000	450.00	337,963,000
60.00	510.00	298,203,000	460.00	330,616,000
70.00	520.00	292,468,000	470.00	323,582,000
80.00	530.00	286,950,000	480.00	316,840,000

(1) Assumes that all Notes tendered are eligible for the Total Consideration.

(2) Assumes that all Notes tendered are eligible only for the Tender Offer Consideration.

Holders are cautioned that the *real*/U.S. dollar exchange rate fluctuates widely, and the PTAX Exchange Rate at May 29, 2009 may differ significantly from the PTAX Exchange Rate on the Exchange Rate Date. As a result, the minimum and maximum aggregate principal amounts of the Notes that we may purchase, assuming that the Tender Offer is fully subscribed, could vary significantly. For example:

- if the PTAX Exchange Rate on the Exchange Rate Date is US\$1.00=R\$1.8740 (which would represent a 5% appreciation of the *real* against the U.S. dollar from May 29, 2009 to the Exchange Rate Date), the Maximum Payment Amount would be US\$160,087,942, and we would be able to purchase an aggregate principal amount of Notes ranging from (1) US\$302,052,000, assuming that the Tender Offer is fully subscribed, the Clearing Premium is US\$80 and all Holders receive the Total Consideration, to (2) US\$400,219,000, assuming that the Tender Offer is fully subscribed, the Clearing Premium is US\$0 and all Holders receive the Tender Offer Consideration; and
- if the PTAX Exchange Rate on the Exchange Rate Date is US\$1.00=R\$2.0712 (which would represent a 5% depreciation of the *real* against the U.S. dollar from May 29, 2009 to the Exchange Rate Date), the Maximum Payment Amount would be US\$144,841,471, and we would be able to purchase an aggregate principal amount of Notes ranging from (1) US\$273,285,000, assuming that the Tender Offer is fully subscribed, the Clearing Premium is US\$80 and all Holders receive the Total Consideration, to (2) US\$362,103,000, assuming that the Tender Offer is fully subscribed, the Clearing Premium is US\$0 and all Holders receive the Tender Offer Consideration.

The maximum amount of cash we will use to pay the Total Consideration and the Tender Offer Consideration for Notes accepted pursuant to the Tender Offer will be equal to the Maximum Payment Amount, which may be decreased by an amount by which the Tender Offer is undersubscribed. We will also pay Accrued Interest with respect to all Notes purchased by us pursuant to the Tender Offer.

Upon the terms and subject to the conditions of the Tender Offer, we will notify the Depository, promptly after the Expiration Date, which tendered Notes we have accepted for purchase by us pursuant to the Tender Offer. If you validly tender your Notes (and do not validly withdraw such Notes) and we accept them for purchase, we will pay you the Total Consideration, or Tender Offer Consideration, as applicable, and Accrued Interest on the Notes accepted for purchase by us on the Settlement Date. See “—Acceptance for Purchase and Payment for Notes.”

All Notes not accepted as a result of proration and all Notes tendered at prices in excess of the Clearing Premium will be rejected from the Tender Offer and will be returned to tendering Holders at our expense promptly following the earlier of the Expiration Date or the date on which the Tender Offer is terminated.

The Tender Offer will expire at 12:00 midnight, New York City time, on Friday, June 26, 2009, unless extended or earlier terminated by Rede in its sole discretion. Rede expressly reserves the absolute right in its sole discretion, subject to applicable law, at any time or from time to time, prior to the Expiration Date, regardless of whether any of the events set forth in “—Conditions to the Tender Offer” shall have occurred or shall have been determined by us to have occurred, or shall have been waived by us at our sole discretion, to: (1) waive any and all conditions to the Tender Offer and accept all Notes previously tendered pursuant to the Tender Offer as described under “—Conditions to the Tender Offer,” (2) extend the Early Tender Date or the Expiration Date and retain all Notes tendered pursuant to the Tender Offer, subject to the withdrawal rights of Holders as described under “—Withdrawal of Tenders,” (3) amend the terms of the Tender Offer in any respect, and (4) terminate the Tender Offer and not accept for purchase any tendered Notes. Any amendment applicable to the Tender Offer will apply to all Notes tendered pursuant to the Tender Offer. See “—Expiration Date; Extension, Amendments and Termination.”

Rede expressly reserves the absolute right, in its sole discretion, from time to time to purchase any Notes that remain outstanding following termination or expiration of the Tender Offer, through open market purchases, privately negotiated transactions, redemption, one or more additional tender or exchange offers or otherwise, on such terms and at such prices as it may determine, which may be more or less than the Total Consideration or the Tender Offer Consideration and could be for cash or other consideration, or may decide to defease the Notes in accordance with the Indenture.

None of Rede, the Dealer Managers, the Depository or the Information Agent makes any recommendation as to whether or not Holders should tender their Notes pursuant to the Tender Offer. Holders must make their own decisions with regard to tendering the Notes.

Conditions to the Tender Offer

Notwithstanding any other provision of the Offer Documents (or any amendments thereof), Rede shall not be required to accept for purchase, purchase or pay for any Notes tendered, may terminate the Tender Offer, and may, subject to Rule 14e-

1(c) under the Exchange Act, delay the acceptance for purchase of, or payment for, any Notes tendered, if the Financing Condition is not satisfied or if:

- (i) Rede has not, prior to the Expiration Date, received the approval of the Central Bank for the early repayment of the principal amount of the Notes, including, without limitation, any applicable premium, fees, commissions and expenses, in connection with the Tender Offer;
- (ii) there shall exist, in the sole judgment of Rede, any actual or threatened legal impediment (including a default under an agreement, indenture or other instrument or obligation to which Rede is a party or by which Rede is bound) to the purchase of the Notes pursuant to the Tender Offer;
- (iii) there shall have occurred (a) any general suspension of, or limitation on prices for trading in securities in the U.S. or Brazilian securities or financial markets, (b) any material adverse change in the price of the Notes in the United States, Brazilian or other major securities or financial markets, (c) a material impairment in the trading market for debt securities, (d) a declaration of a banking moratorium or any suspension of payments in respect of banks in the United States or Brazil, (e) a commencement or escalation of a war, armed hostilities, terrorist acts or other national or international crisis directly or indirectly affecting the United States or Brazil, (f) any limitation (whether or not mandatory) by any governmental authority, domestic or foreign, on, or other event that, in the reasonable judgment of Rede, might affect, the extension of credit by banks or other lending institutions in the United States or Brazil, or (g) in the case of any of the foregoing existing on the date hereof, a material acceleration or worsening thereof;
- (iv) there shall have been instituted or threatened or be pending any action, proceeding or investigation, whether formal or informal, or there shall have been any material adverse development to any action or proceeding currently instituted, threatened or pending, before any court, governmental, regulatory or administrative agency, authority or instrumentality, or by any person, in connection with the Tender Offer that, in the sole judgment of Rede, either (a) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Rede, or (b) would or might prohibit, prevent, restrict, delay or challenge the making or consummation of the Tender Offer;
- (v) an order, statute, rule, regulation, executive order, stay, decree, judgment or injunction shall have been proposed, enacted, entered, issued, promulgated, enforced or deemed applicable by any court or governmental, regulatory or administrative agency or instrumentality that, in the sole judgment of Rede, either (a) would or might prohibit, prevent, restrict or delay consummation of the Tender Offer, or (b) is, or is reasonably likely to be, materially adverse to the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Rede;
- (vi) there shall have occurred or be likely to occur any event affecting the business, operations, properties, condition (financial or otherwise), assets, liabilities or prospects of Rede or any of its subsidiaries that, in the sole judgment of Rede, would or might prohibit, prevent, restrict or delay consummation of the Tender Offer or otherwise make it inadvisable to proceed with the purchase of Notes pursuant to the Tender Offer; or
- (vii) the Trustee under the Indenture shall have objected in any respect to, or taken action that could, in the sole judgment of Rede, adversely affect the consummation of the Tender Offer, or shall have taken any action that challenges the validity or effectiveness of the procedures used by Rede in the making of the Tender Offer or the acceptance of, or payment for, the Notes.

The foregoing conditions are for the sole benefit of Rede and may be asserted by Rede regardless of the circumstances (including any action or inaction by Rede) giving rise to such condition and may be waived by Rede, in whole or in part, at any time and from time to time prior to the Expiration Date in its sole discretion. All conditions of the Tender Offer will, if Notes are to be accepted for payment promptly after the Expiration Date, be either satisfied or waived by Rede prior to the Expiration Date. The failure by Rede at any time to exercise any of the foregoing rights will not be deemed a waiver of any other right and each right will be deemed an ongoing right that may be asserted at any time and from time to time.

Procedures for Tendering Notes

The tender of Notes pursuant to the Tender Offer and in accordance with the procedures described below will constitute a valid tender of Notes. The tender of Notes pursuant to the Tender Offer by one of the procedures set forth below, and acceptance thereof by Rede for purchase, will constitute a binding agreement between the tendering Holder and Rede upon the terms and subject to the conditions of the Tender Offer in effect on the Expiration Date.

In accordance with the instructions contained in the Letter of Transmittal, Holders desiring to tender their Notes in the Tender Offer must (1) properly indicate the Bid Price (in increments of US\$2.50 per US\$1,000 principal amount above the Base Price but not greater than US\$80 above the Base Price) at which Notes are being tendered, or (2) not specify a Bid Price, in which case the Holder will be deemed to have specified the Base Price in respect of the Notes being tendered and to accept the Clearing Premium determined by us in accordance with the terms of the Tender Offer. In accordance with the instructions contained in the Letter of Transmittal, a Holder may tender different portions of the principal amount of its Notes at different Bid Prices; however, a Holder may not specify Bid Prices for an aggregate principal amount of Notes in excess of the aggregate principal amount of Notes tendered by such Holder. The same Notes cannot be tendered at more than one price. If any Bid Price is not submitted in a whole increment of US\$2.50 in excess of the Base Price, such Bid Price will be rounded down to the nearest US\$2.50 increment. To tender Notes properly, only one price within the bid price range (or no price) must be specified in the appropriate section in the Letter of Transmittal.

Holders will not be eligible to receive the Total Consideration unless they tender their Notes pursuant to the Tender Offer at or prior to the Early Tender Date. Holders who validly tender and do not properly withdraw their Notes after the Early Tender Date and at or prior to the Expiration Date will be eligible to receive only the Tender Offer Consideration and not the Early Tender Payment.

The method of delivery of Notes and the Letter of Transmittal, any required signature guarantees and all other required documents, including delivery through DTC and any acceptance of an Agent's Message transmitted through ATOP, is at the election and risk of the Holder tendering Notes and delivering the Letter of Transmittal or transmitting an Agent's Message and, except as otherwise provided in the Letter of Transmittal, delivery will be deemed made only when actually received by the Depository. If delivery is by mail, it is suggested that the Holder use properly insured, registered mail with return receipt requested, and that the mailing be made sufficiently in advance of the Early Tender Date or the Expiration Date, as applicable, to permit delivery to the Depository on or prior to such date. Manually signed facsimile copies of the Letter of Transmittal, properly completed and duly executed, will be accepted. No alternative, conditional or contingent tenders of Notes will be accepted. **In no event shall the Holder send the Letter of Transmittal or any Notes to the Dealer Managers, the Depository, the Information Agent, Rede or DTC.**

All questions as to the form of documents and the validity, eligibility (including time of receipt), and acceptance for purchase of tendered Notes will be determined by Rede, in its sole discretion, which determination will be final and binding. Rede reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or the acceptance for purchase of or payment for which may, in the opinion of Rede's counsel, be unlawful. Rede also reserves the absolute right in its sole discretion to waive any of the conditions of the Tender Offer or any defect or irregularity in the tender of Notes of any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. Any defect or irregularity in connection with tenders of Notes must be cured within such time as Rede determines, unless waived by Rede. Tenders of Notes shall not be deemed to have been made until all defects and irregularities have been waived by Rede or cured. Rede's interpretation of the terms and conditions of the Tender Offer (including the instructions in the Letter of Transmittal) will be final and binding. None of Rede, the Depository, the Dealer Managers, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur liability for failure to give any such notification.

As of the date of the Offer to Purchase, all Notes are held in book-entry form by DTC as record holder. For a tender of Notes to be valid and for a Holder to receive payment for Notes that are tendered, the Notes must be delivered to the Depository pursuant to the book-entry delivery procedures described below; and either:

- the Depository must receive from the DTC participant in whose account the Notes are held at DTC, at the address of the Depository set forth on the last page of this Offer to Purchase, a properly completed and duly executed Letter of Transmittal (or a manually signed facsimile thereof); or

- an acceptance of the Tender Offer must be transmitted to the Depository in accordance with DTC's ATOP procedures;

in each case at or prior to 12:00 midnight, New York City time, on the Expiration Date.

A beneficial owner of Notes held through a custodian or nominee that is a direct or indirect DTC participant, such as a broker, dealer, commercial bank, trust company or other nominee, must instruct the custodian or nominee to tender the beneficial owner's Note on behalf of the beneficial owner.

The Depository and DTC have confirmed that the Tender Offer is eligible for ATOP. Accordingly, DTC participants may electronically transmit their acceptance of the Tender Offer by causing DTC to transfer Notes to the Depository in accordance with DTC's ATOP procedures for transfer. DTC will then send an Agent's Message to the Depository. Holders using ATOP must allow sufficient time for completion of the ATOP procedures during normal business hours of DTC at or prior to the Expiration Date or, if the Holder wishes to be eligible to receive the Total Consideration, the Early Tender Date. If the ATOP procedures are used, the DTC participant in whose account the Notes are held at DTC need not complete and physically deliver the Letter of Transmittal to the Depository.

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Depository and forming part of the Book-Entry Confirmation (as defined below), which states that DTC has received an express acknowledgment from the DTC participant tendering Notes that are the subject of such Book-Entry Confirmation that such DTC participant has received and agrees to be bound by the terms of this Offer to Purchase and the Letter of Transmittal and that Rede may enforce such agreement against such DTC participant.

Signature Guarantees

Signatures on a Letter of Transmittal must be guaranteed by a firm that is a participant in the Security Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program (generally a member of a U.S. registered national securities exchange, a member of the National Association of Securities Dealers, Inc., or a commercial bank or trust company having an office in the United States) (an "Eligible Institution"), unless (a) the Letter of Transmittal is signed by the registered Holder of the Notes tendered therewith (or by a participant in DTC whose name appears on a security position listing it as the owner of such Notes) and payment of the Total Consideration or Tender Offer Consideration, as applicable, is to be made, or if any Notes for principal amounts not tendered or not accepted for purchase are to be issued, directly to such Holder (or, if tendered by a participant in DTC, any Notes for principal amounts not tendered or not accepted for purchase are to be credited to such participant's account at DTC) and neither the "Special Payment Instructions" box nor the "Special Delivery Instructions" box on the Letter of Transmittal has been completed, or (b) such Notes are tendered for the account of an Eligible Institution.

Book-Entry Transfer

The Depository will establish an account with respect to the Notes at DTC for purposes of the Tender Offer within two business days after the date of this Offer to Purchase (to the extent such arrangements have not been made previously by the Depository). Any financial institution that is a participant in DTC and whose name appears on a security position listing as the owner of the Notes may make book-entry delivery of Notes by causing DTC to transfer such Notes into the Depository's account in accordance with DTC's procedures for such transfer. Delivery of documents to DTC in accordance with DTC's procedures does not constitute delivery to the Depository. The confirmation of a book-entry transfer of Notes into the Depository's account at DTC as described above is referred to herein as a "Book-Entry Confirmation." Although delivery of Notes may be effected through book-entry delivery at DTC, the Letter of Transmittal (or facsimile thereof), with any required signature guarantees, or an Agent's Message in lieu of the Letter of Transmittal, and any other required documents, must be transmitted to and received by the Depository at or prior to 12:00 midnight, New York City time, on the Expiration Date or, if the Holder wishes to be eligible to receive the Total Consideration, the Early Tender Date at its address set forth on the last page of this Offer to Purchase. Delivery of such documents to DTC does not constitute delivery to the Depository.

Transfer Taxes

Rede will pay all stamp, issue, registration, documentary or similar taxes and other duties (including interest and penalties) payable in Brazil (or any political subdivision thereof), if any, applicable to the transfer and sale of the Notes to Rede pursuant

to the Tender Offer. If, however, substitute Notes for amounts not tendered or accepted for payment are to be delivered to, or are to be registered or issued in the name of, any person other than the Holder of Notes tendered, or if tendered Notes are to be registered in the name of any person other than the person signing the Letter of Transmittal or electronically transmitting acceptance through ATOP, or if any such taxes are imposed for any reason other than the transfer or sale of Notes to Rede pursuant to the Tender Offer, then the amount of such taxes (whether imposed on the Holder or any other persons) will be payable by the tendering Holder. If satisfactory evidence of payment of such tax or exemption therefrom is not submitted with the Letter of Transmittal, then the amount of such taxes will be deducted from the Total Consideration or Tender Offer Consideration, as applicable, otherwise payable to such tendering Holder. Any remaining amount will be billed directly to such tendering Holder. Rede will not pay any other taxes imposed on Holders as a result of the Tender Offer.

U.S. Backup Withholding Tax

To prevent U.S. backup withholding tax, each tendering Holder that is a U.S. person (including a U.S. resident alien) for U.S. federal income tax purposes must provide the Depository with such Holder's correct taxpayer identification number and certify that such Holder is not subject to U.S. backup withholding by completing a Substitute Form W-9, which is provided in the Letter of Transmittal, or otherwise establishing an exemption from backup withholding. Tendering Holders that are not U.S. persons generally should establish their exemption from backup withholding by providing the Depository with a properly completed Form W-8BEN (or other appropriate type of Form W-8). For a more detailed discussion of U.S. backup withholding, see "Certain U.S. Federal Income Tax Considerations."

Acceptance for Purchase and Payment for Notes

Upon the terms and subject to the conditions of the Tender Offer (including if the Tender Offer is extended or amended, the terms and conditions of any such extension or amendment) and applicable law, we will accept for purchase, and pay for, all Notes validly tendered (and not validly withdrawn) with a Bid Price that results in a Bid Premium equal to or less than the Clearing Premium, on or prior to the Expiration Date, subject to possible proration. Tenders of Notes will be accepted only in principal amounts equal to US\$1,000 or integral multiples thereof.

We will be deemed to have accepted Notes for purchase pursuant to the Tender Offer, if, as and when we give oral (promptly confirmed in writing) or written notice to the Depository of our acceptance of such Notes for purchase pursuant to the Tender Offer. We will announce acceptance for purchase of the Notes.

With respect to tendered Notes that are to be returned to Holders, such Notes will be credited to the account maintained at DTC from which such Notes were delivered after the expiration or termination of the Tender Offer, unless other instructions were given by the Holder in the Letter of Transmittal.

We will pay for Notes accepted for purchase by us in the Tender Offer by depositing such payment in cash with the Depository, which will act as agent for you for the purpose of receiving the Tender Offer Consideration or Total Consideration, as applicable, and any Accrued Interest in respect of your Notes that are accepted for purchase, and transmitting the Tender Offer Consideration or Total Consideration, as applicable, and any Accrued Interest, to you on the Settlement Date. Tendering Holders should indicate in the applicable box in the Letter of Transmittal, the name and address to which payment of the cash consideration and/or certificates evidencing Notes not accepted for purchase, each as appropriate, are to be issued or sent, if different from the name and address of the person signing the Letter of Transmittal or transmitting such acceptance through ATOP, as the case may be.

Rede expressly reserves the right, in its sole discretion and subject to Rule 14e-1(c) under the Exchange Act, to delay the acceptance for payment of, or payment for, Notes if any of the conditions of the Tender Offer shall not have been satisfied or waived, or in order to comply, in whole or in part, with any applicable law. See "—Conditions to the Tender Offer." In all cases, payment by the Depository to Holders or beneficial owners of the Total Consideration or Tender Offer Consideration, as applicable, and the Accrued Interest for Notes accepted for payment pursuant to the Tender Offer will be made only after timely receipt by the Depository of (1) a book-entry transfer of such Notes into the Depository's account at DTC pursuant to the procedures set forth under "—Procedures for Tendering Notes," (2) a properly completed and duly executed Letter of Transmittal (or manually signed facsimile thereof), with any required signature guarantees, or a properly transmitted Agent's Message, and (3) any other documents required by the Letter of Transmittal.

No brokerage commissions are payable by Holders of the Notes to the Dealer Managers, the Information Agent, Rede or the Depositary.

Withdrawal of Tenders

Unless expressly stated otherwise, references in this Offer to Purchase to withdrawal of Notes shall mean a permitted withdrawal as set forth in this section. Notes tendered at or prior to the Early Tender Date may only be properly withdrawn at or prior to the Early Tender Date, but not thereafter, except in the limited circumstances described below. Notes tendered after the Early Tender Date and at or prior to the Expiration Date may not be withdrawn, except in the limited circumstances described below. Notes tendered and not subsequently withdrawn at or prior to the Early Tender Date and Notes tendered after the Early Tender Date, and at or prior to the Expiration Date may be withdrawn only if Rede reduces the amount of the Tender Offer Consideration, the Early Tender Payment or, after the Early Tender Date, the Maximum Payment Amount, or is otherwise required by law (as determined by Rede) to permit withdrawal. Under such circumstances, previously tendered Notes may be properly withdrawn until the expiration of ten business days after the date that notice of such reduction or requirement is first published or given or sent to Holders by Rede. Further, tendered Notes may be validly withdrawn if the Tender Offer is terminated without any Notes being purchased thereunder. In the event of a termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

For a withdrawal of Notes to be effective, a written or facsimile transmission notice of withdrawal must be received by the Depositary (which may take the form of a message transmitted to DTC in accordance with its procedures for book-entry withdrawal of Notes that is timely received by the Depositary) at its address set forth on the last page of this Offer to Purchase on or prior to the relevant date and time as specified in the preceding paragraph. In order to be valid, the withdrawal notice must specify the name of the person who tendered the Notes to be withdrawn (the “Depositor”), the name of the participant in DTC whose name appears on the security position listing as the owner of such Notes, if different from that of the Depositor, and the principal amount of Notes to be withdrawn. If certificates have been identified to the Depositary through confirmation of book-entry transfer of such Notes, the name and number of the account at DTC to be credited with withdrawn Notes must also be furnished to the Depositary. The notice of withdrawal must be signed by the Holder in the same manner as the Letter of Transmittal (including, in any case, any required signature guarantees), or be accompanied by evidence satisfactory to Rede that the person withdrawing the tender has succeeded to the beneficial ownership of such Notes. Any Notes properly withdrawn before the Expiration Date will be deemed to be not validly tendered for purposes of the Tender Offer.

Withdrawal of tenders of Notes may not be rescinded, and any Notes properly withdrawn will thereafter be deemed not validly tendered for purposes of the Tender Offer. Properly withdrawn Notes may, however, be retendered by again following one of the procedures described in “—Procedures for Tendering Notes” at any time on or prior to the Expiration Date.

Withdrawals of Notes from the Tender Offer may be accomplished only in accordance with the foregoing procedures.

All questions as to the form and validity (including time of receipt) of notices of withdrawal of tenders will be determined by Rede, in its sole discretion, which determination shall be final and binding. None of Rede, the Depositary, the Information Agent, the Dealer Managers or any other person will be under any duty to give notification of any defects or irregularities in any notice of withdrawal of a tender or incur any liability for failure to give any such notification.

If Rede is delayed in its acceptance for purchase of, or payment for, the Notes or is unable to accept for purchase or pay for Notes pursuant to the Tender Offer for any reason, then, without prejudice to Rede’s rights hereunder, tendered Notes may be retained by the Depositary on behalf of Rede and may not be withdrawn (subject to Rule 14e-1 under the Exchange Act, which requires that an offeror pay the consideration offered or return the Notes deposited by or on behalf of the Holders thereof promptly after the termination or withdrawal of a tender offer).

Expiration Date; Extension, Amendments and Termination

The Tender Offer will expire at 12:00 midnight, New York City time, on Friday, June 26, 2009, unless extended or earlier terminated by Rede. In the event that the Tender Offer is extended, the term “Expiration Date” with respect to such extended Tender Offer shall mean the time and date on which the Tender Offer, as so extended, shall expire. Subject to applicable law or regulation, Rede expressly reserves the right in its sole discretion, at any time or from time to time prior to the Expiration

Date, regardless of whether or not any of the events set forth in “—Conditions to the Tender Offer” shall have occurred or shall have been determined by Rede to have occurred:

- to extend the period of time during which the Tender Offer shall remain open and thereby delay acceptance for purchase of, and the payment for, any Notes, by giving oral or written notice of such extension to the Depositary; and
- to amend the Tender Offer in any respect or terminate or withdraw the Tender Offer by giving oral or written notice of such amendment, termination or withdrawal to the Depositary.

Please note that the terms of any extension, or amendment of the terms, of the Tender Offer may vary from the terms of the original Tender Offer depending on such factors as prevailing interest rates and the principal amount of Notes previously tendered or otherwise purchased. Any amendment to the Tender Offer will apply to all Notes tendered in the Tender Offer. If Rede makes a material change in the terms of the Tender Offer or the information concerning the Tender Offer, Rede will disseminate additional Tender Offer materials and extend such Tender Offer to the extent required by law.

If Rede terminates the Tender Offer, it shall give immediate notice thereof to the Depositary, and all Notes therefore tendered and not accepted for payment shall be returned promptly to the tendering Holders thereof. If the Tender Offer is withdrawn or otherwise not completed, no consideration will be paid or become payable to Holders who have validly tendered their Notes in connection with the Tender Offer. See “—Conditions to the Tender Offer.”

There can be no assurance that Rede will exercise its right to extend, amend or terminate the Tender Offer. Any extension, amendment or termination will be followed as promptly as practicable by public announcement thereof. In the case of an extension, such announcement will be made no later than 9:00 a.m., New York City time, on the first business day following the previously scheduled Expiration Date. Without limiting the manner in which Rede may choose to make any public announcement, Rede shall have no obligation to publish, advertise or otherwise communicate any such public announcement other than by issuing a release to the Dow Jones News Service.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

The following is a description of the principal U.S. federal income tax consequences of the Tender Offer. This discussion applies only to “U.S. Holders” (as defined below) that participate in the Tender Offer and hold the Notes as capital assets. This discussion does not describe all of the tax consequences that may be relevant to a holder in light of the holder’s particular circumstances or to holders subject to special rules, such as:

- certain financial institutions;
- insurance companies;
- dealers and certain traders in securities;
- persons holding the Notes as part of a hedge, straddle, integrated transaction, or similar transaction;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- partnerships or other entities classified as partnerships for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- tax-exempt organizations;
- persons holding the Notes that own or are deemed to own ten percent or more of the voting equity of Rede; or
- certain former citizens or long-term residents of the United States.

This description does not address any state, local or non-U.S. tax consequences of the Tender Offer. Moreover, this description does not address the consequences of any U.S. federal tax other than income tax, including but not limited to the U.S. federal estate and gift taxes. This description is based on the Internal Revenue Code of 1986, as amended (the "Code"), existing, proposed and temporary U.S. Treasury Regulations and judicial and administrative interpretations thereof, in each case as in effect and available on the date hereof. All of the foregoing is subject to change, which change could apply retroactively and could affect the tax consequences described below. Holders should consult their tax advisers to determine the particular tax consequences to such holders of participating in the Tender Offer, including the applicability and effect of U.S. state, local and non-U.S. tax laws. As used herein, the term "U.S. Holder" means, for U.S. federal tax purposes, a beneficial owner of the Notes that is:

- an individual citizen or resident of the United States;
- a corporation organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust if (a) a court within the United States is able to exercise primary supervision over its administration and (b) one or more United States persons have the authority to control all of the substantial decisions of such trust.

If a partnership (or any other entity treated as a partnership for U.S. federal income tax purposes) holds Notes, the tax treatment of a partner in such partnership will generally depend on the status of the partner and the activities of the partnership. A partnership or its partners should consult their tax advisor as to its tax consequences.

U.S. Internal Revenue Service Circular 230 disclosure

Pursuant to U.S. Internal Revenue Service Circular 230, we hereby inform you that the description set forth herein with respect to U.S. federal tax issues was not intended or written to be used, and such description cannot be used, by any taxpayer for the purpose of avoiding any penalties that may be imposed on the taxpayer under the U.S. Internal Revenue Code. Such description was written to support the marketing of the Tender Offer. Each taxpayer should seek advice based on their particular circumstances from an independent tax advisor.

Potential Characterization of the Notes as Indebtedness

The Notes should be treated as equity for U.S. federal income tax purposes and the following discussion assumes such treatment. However, it should be noted that the U.S. Internal Revenue Service (the "IRS") could assert that the Notes should be treated as indebtedness for U.S. federal income tax purposes. If the Notes were treated as indebtedness for U.S. federal income tax purposes, the timing and character of income, gain and loss recognized by a U.S. Holder would be different from the description herein.

Consequences of the Tender Offer

The U.S. federal income tax consequences of the Tender Offer may vary depending on the particular facts and circumstances of a U.S. Holder. Under Section 302 of the Code, a U.S. Holder whose Notes are purchased by Rede pursuant to the Tender Offer will be treated as having sold such Notes in a taxable sale or exchange (with the consequences describe below) if the purchase:

- results in a "complete termination" of such holder's equity interest in us; or
- is "not essentially equivalent to a dividend" to such holder.

Both of these tests, referred to herein as the "Section 302 tests," are explained in more detail below. If a U.S. Holder does not satisfy any of the Section 302 tests explained below, Rede's purchase of such holder's Notes pursuant to the Tender Offer will be treated as a distribution with respect to Rede's equity, and not as sale or exchange under Section 302 of the Code, with the consequences described below.

In applying each of the Section 302 tests, a U.S. Holder must take into account not only Notes and any other equity in Rede that it actually owns but also any Notes or shares of Rede capital stock it is treated as owning under the constructive ownership rules of Section 318 of the Code. Under the constructive ownership rules, a U.S. Holder is treated as owning any Notes or shares of Rede stock that are owned (actually, and in some cases, constructively) by certain related individuals and entities, as well as shares of Rede stock that such holder has the right to acquire by exercise of an option or by conversion or exchange of another security, including any of Rede's debt. Due to the factual nature of the Section 302 tests, U.S. Holders should consult their own tax advisors to determine whether the purchase of their Notes qualifies for sale treatment in their particular circumstances.

Section 302 Tests. One of the following tests must be satisfied with respect to a U.S. Holder in order for our purchase of Notes to be treated as a sale or exchange by such U.S. Holder for U.S. federal income tax purposes:

Complete Termination Test. Assuming the U.S. Holder actually or constructively owns no equity in Rede other than the Notes, the purchase by Rede of such Holder's Notes will result in a "complete termination" of such holder's equity interest in Rede if (1) all the Notes that are actually owned by such holder are sold to Rede and (2) all the Notes that are constructively owned by such holder, if any, are sold to Rede or, with respect to Notes owned by certain related individuals, such holder effectively waives, in accordance with Section 302(c) of the Code, attribution of shares of Rede stock (including Notes) which otherwise would be considered as constructively owned by such holder. U.S. Holders wishing to satisfy the "complete termination" test through waiver of the constructive ownership rules should consult their own tax advisors.

Not Essentially Equivalent to a Dividend Test. The purchase of a U.S. Holder's Notes will be treated as "not essentially equivalent to a dividend" if the reduction in such holder's proportionate interest in Rede as a result of the purchase constitutes a "meaningful reduction" given such holder's particular circumstances. Whether the receipt of cash by a U.S. Holder who sells Notes in the Tender Offer will be "not essentially equivalent to a dividend" will depend upon such holder's particular facts and circumstances. The factors to be considered in determining whether a reduction in a stockholder's proportionate interest in a corporation results in a "meaningful reduction" relate to the stockholder's right to vote and exercise control, the right to participate in current earnings and accumulated surplus and the right to share in net assets on liquidation. For example, the IRS has ruled that the redemption of any amount of stock that is nonvoting, nonconvertible, and limited and preferred as to dividends and in liquidation represents a "meaningful reduction" of a shareholder's proportionate interest in a corporation if the shareholder does not own stock of any other class, either directly or indirectly. U.S. Holders should consult their own tax advisors as to the application of this test in their particular circumstances.

Except as otherwise provided below, the remainder of this discussion assumes that a U.S. Holder selling Notes in the Tender Offer will satisfy one of the Section 302 tests.

PFIC Considerations. A U.S. Holder may have different consequences if Rede is or was a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for any taxable year during which the U.S. Holder held the Notes. In general, a non-U.S. corporation will be considered a PFIC for any taxable year in which (i) 75 percent or more of its gross income consists of passive income (such as dividends, interest, rents or royalties) or (ii) 50 percent or more of the average value of its assets consists of assets that produce, or are held for the production of, passive income. For these purposes, a non-U.S. corporation that directly or indirectly owns at least 25 percent by value of the stock of another corporation is treated as if it held its proportionate share of the assets of such other corporation and received directly its proportionate share of the income of such other corporation. If a non-U.S. corporation is a PFIC for any year during which a U.S. Holder holds its Notes, it will generally continue to be treated as a PFIC with respect to such holder for all succeeding years during which the U.S. Holder holds its Notes even if the non-U.S. corporation's assets and income cease to meet the threshold requirements for PFIC status.

Rede has not determined its PFIC status for the current taxable year or any prior year. In addition, because PFIC status depends on the composition of a company's assets and income for each taxable year, Rede would not be able to determine whether it is a PFIC for the current taxable year until after the close of the taxable year. Further, there can be no assurance that Rede was not a PFIC in any prior taxable year during which a U.S. Holder held its Notes. U.S. Holders should consult their tax advisers regarding the PFIC status of Rede for the periods during which such holders have held their Notes and as to the U.S. federal income tax consequences to them of participating in the Tender Offer if Rede is or was a PFIC.

Consequences of the Tender Offer if Rede Is Not a PFIC

The receipt of cash in exchange for Notes pursuant to the Tender Offer will be a taxable transaction for U.S. federal income tax purposes. In general, a U.S. Holder will recognize gain or loss equal to the difference between the tax basis of the holder's Notes and the amount of cash received. A U.S. Holder's tax basis in a Note generally will be equal to the amount it paid for the Note. Any gain or loss recognized will be capital gain or loss. In the case of a non-corporate U.S. Holder, the maximum marginal U.S. federal income tax rate applicable to such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. Holder's holding period for such Notes exceeds one year (i.e., such gain is long-term capital gain). A U.S. Holder's ability to deduct capital losses may be limited under the Code. If a U.S. Holder does not satisfy any of the Section 302 tests, the entire amount received by such U.S. Holder as a result of Rede's purchase of Notes will be treated as a dividend distribution with respect to the Notes owned by such holder, to the extent of such holder's share of our current and accumulated earnings and profits, as calculated for U.S. federal income tax purposes. To the extent the amount of the distribution exceeds such U.S. Holder's share of Rede's current and accumulated earnings and profits, the excess will be treated first as a tax-free return of capital to the extent of such holder's adjusted tax basis in the Notes owned by such holder and any remainder will be treated as capital gain (which may be long-term capital gain as described above). Rede does not maintain the information necessary to determine its earnings and profits under U.S. federal income tax principles and U.S. Holders therefore may be required to treat any such distribution as a dividend.

Consequences of the Tender Offer if Rede Is a PFIC

If Rede were characterized as a PFIC for any taxable year during which a U.S. Holder held the Notes, the U.S. Holder generally would be subject to adverse U.S. federal income tax rules. In general, gain recognized by a U.S. Holder that sells its Notes pursuant to the Tender Offer would be allocated ratably over the holder's holding period for the Notes. The amounts allocated to (i) the current taxable year and any other taxable year with respect to which Rede was not a PFIC would be taxed as ordinary income and (ii) each other taxable year would be subject to tax at the highest rate in effect for that taxable year for individuals or corporations, as appropriate, and an interest charge would be imposed on the tax attributable to such allocated amounts (collectively, the "PFIC Allocation Rule"). If a U.S. Holder does not satisfy any of the Section 302 tests, the cash received by such holder in exchange for Notes in the Tender Offer (unreduced by such holder's tax basis in the Notes tendered) may be treated as a distribution with respect to the equity of Rede that such holder continues to own, directly or indirectly, following the sale. In general, the amount by which this and other distributions during the current taxable year exceed 125% of the average of annual distributions Rede has paid on the Notes during the preceding three taxable years or such holder's holding period, whichever is shorter, would be allocated ratably over such holder's holding period for the Notes and taxed based on the PFIC Allocation Rule. **U.S. Holders should consult their tax advisers regarding the potential application of the PFIC rules to the sale of Notes pursuant to the Tender Offer.**

Early Tender Payment

Although the matter is not free from doubt, Rede intends to treat the Early Tender Payment as part of the cash consideration received by a U.S. Holder in exchange for the U.S. Holder's Note. U.S. Holders should note that the IRS may take the position that the Early Tender Payment is not part of the cash consideration received by a U.S. Holder in exchange for such holder's Note, but rather that the Early Tender Payment should be treated as a fee payment. In such case, the Early Tender Payment would be taxable as ordinary income to the U.S. Holder.

Foreign Tax Credits

Any gain or loss recognized by a U.S. Holder pursuant to the Tender Offer generally will be U.S.-source gain or loss for U.S. foreign tax credit purposes. However, to the extent any amount distributed is characterized as a dividend for U.S. tax purposes, such amounts will be treated as foreign source income. If a Brazilian income tax is imposed upon the receipt of cash pursuant to the Tender Offer and the U.S. Holder does not receive significant foreign source income from other sources, the U.S. Holder may not be able to credit the Brazilian tax against its U.S. tax liability. However, the Brazilian income tax imposed may be eligible as a deduction in computing the U.S. Holder's taxable income if such holder elects to deduct all of its foreign income taxes. U.S. Holders should consult their tax advisers regarding the availability of foreign tax credits in light of their particular circumstances.

Information Reporting and Backup Withholding

Payments made with respect to the Tender Offer are subject to information reporting and to backup withholding unless: (i) the U.S. Holder is a corporation or other exempt recipient; or (ii) in the case of backup withholding, the U.S. Holder provides a correct taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. The backup withholding tax rate is 28% for taxable years through 2010. The amount of any backup withholding from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability and may entitle the U.S. Holder to a refund, provided that the required information is furnished to the IRS.

DEALER MANAGERS

Rede has engaged Banc of America Securities LLC and Planner Securities LLC to act as Dealer Managers in connection with the Tender Offer. In such capacity, the Dealer Managers may contact Holders of Notes regarding the Tender Offer and may request brokers, dealers, commercial banks, trust companies and other nominees to forward the Offer Documents to beneficial owners of Notes. The Dealer Managers will be paid customary fees for their services and will be reimbursed for reasonable costs and expenses. Rede has agreed to indemnify the Dealer Managers against certain liabilities arising in connection with the Tender Offer, including liabilities under U.S. federal securities laws, and will contribute to payments the Dealer Managers may be required to make in respect thereof.

At any given time, the Dealer Managers may trade the Notes or other securities of Rede or its affiliates for their own accounts or for the accounts of customers, and accordingly, may hold a long or a short position in the Notes or such other securities.

In addition to serving as the Dealer Managers for the Tender Offer, Banc of America Securities LLC and Planner Securities LLC and/or their respective affiliates have provided other investment banking services to Rede and its affiliates from time to time for which they have received customary compensation.

DEPOSITARY

Global Bondholder Services Corporation has been appointed as Depositary for the Tender Offer. Questions and requests for assistance, and all correspondence in connection with the Tender Offer, or requests for additional Letters of Transmittal and any other required documents, may be directed to the Depositary at its address and telephone number set forth on the last page of this Offer to Purchase.

INFORMATION AGENT

Global Bondholder Services Corporation is serving as Information Agent in connection with the Tender Offer. The Information Agent will assist with the mailing of this Offer to Purchase and related materials to Holders of Notes, respond to inquiries of and provide information to Holders of Notes in connection with the Tender Offer and provide other similar advisory services as Rede may request from time to time. Requests for additional copies of this Offer to Purchase, the Letter of Transmittal and any other required documents should be directed to the Information Agent at its address and telephone number set forth on the last page of this Offer to Purchase.

PAYMENT OF SOLICITATION FEE

The Dealer Managers will pay to soliciting dealers a solicitation fee of US\$2.50 per US\$1,000 in principal amount of Notes tendered, not validly withdrawn and accepted for purchase and paid pursuant to the Tender Offer in respect of tenders of Notes in principal amounts less than US\$250,000. As used herein, a "soliciting dealer" is an entity covered by a Letter of Transmittal which designated its name as having solicited and obtained the tender, and is:

- any broker or dealer in securities, excluding the Dealer Managers which is a member of any national securities exchange or of the Financial Industry Regulatory Authority ("FINRA");

- any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD's Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were a member of FINRA; or
- any bank or trust company.

No such fee shall be payable to a soliciting dealer with respect to the tender of Notes by a holder unless the Letter of Transmittal accompanying such tender designates such soliciting dealer. No such fee shall be payable to a soliciting dealer in respect of Notes registered in the name of such soliciting dealer unless such Notes are held by such soliciting dealer as nominee and are being tendered for the benefit of one or more beneficial owners identified on the Letter of Transmittal. No such fee shall be payable to a soliciting dealer if such soliciting dealer is required for any reason to transfer the amount of such fee to a depositing holder (other than itself). No such fee shall be paid to a soliciting dealer with respect to Notes tendered for such soliciting dealer's own account. No broker, dealer, bank, trust company or fiduciary shall be deemed to be the agent of Rede, DTC, the Dealer Managers or the Information Agent for purposes of the Offer. For all purposes noted in all materials related to the Tender Offer, the term "solicit" shall be deemed to mean no more than "processing Note tendered" or "forwarding to customers materials relating to the Offer."

Rede will reimburse the Dealer Managers for amounts paid with respect to this solicitation fee. Rede will also, upon request, reimburse soliciting dealers for reasonable and customary handling and mailing expenses incurred by them in forwarding materials relating to the Tender Offer to their customers.

FEES AND EXPENSES

In addition to the fees and out-of-pocket expenses payable to the Dealer Managers, Rede will pay the Depositary and the Information Agent reasonable and customary fees for their services (and will reimburse them for their reasonable out-of-pocket expenses in connection therewith) and will pay brokerage houses and other custodians, nominees and fiduciaries the reasonable and customary out-of-pocket mailing and handling expenses incurred by them in forwarding copies of the Offer Documents to the beneficial owners of the Notes. In addition, Rede will indemnify the Depositary and the Information Agent against certain liabilities in connection with their services, including liabilities under the federal securities laws.

Rede will pay all stamp, issue, registration, documentary or similar taxes and other duties (including interest and penalties) payable in Brazil (or any political subdivision thereof), if any, applicable to the transfer and sale of the Notes to Rede pursuant to the Tender Offer. If, however, substitute Notes for amounts not tendered or accepted for payment are to be delivered to, or are to be registered or issued in the name of, any person other than the Holder of Notes tendered, or if tendered Notes are to be registered in the name of any person other than the person signing the Letter of Transmittal or electronically transmitting acceptance through ATOP, or if any such taxes are imposed for any reason other than the transfer or sale of Notes to Rede pursuant to the Tender Offer, then the amount of such taxes (whether imposed on the Holder or any other persons) will be payable by the tendering Holder. If satisfactory evidence of payment of such tax or exemption therefrom is not submitted with the Letter of Transmittal, then the amount of such taxes will be deducted from the Total Consideration or Tender Offer Consideration, as applicable, otherwise payable to such tendering Holder. Any remaining amount will be billed directly to such tendering Holder. Rede will not pay any other taxes imposed on Holders as a result of the Tender Offer.

MISCELLANEOUS

The Tender Offer is not subject to Section 13(e) of, or Rules 13e-3 or 13e-4 or Regulation 14D promulgated under, the Exchange Act. The Tender Offer is being made in compliance with Regulation 14E under the Exchange Act.

Other than with respect to the Depositary, the Information Agent and the Dealer Managers, neither of Rede nor any of its affiliates has engaged, or made any arrangements for, and have no contract, arrangement or understanding with, any broker, dealer, agent or other person regarding the purchase of Notes hereunder, and no person has been authorized by either of Rede or any of its affiliates to provide any information or to make any representations in connection with the Tender Offer, other than those expressly set forth in this Offer to Purchase, and, if so provided or made, such other information or representations must not be relied upon as having been authorized by Rede or any of its affiliates. The delivery of this Offer to Purchase shall not, under any circumstances, create any implication that the information set forth herein is correct as of any time subsequent to the date hereof.

Any questions regarding procedures for tendering Notes with respect to the Notes or requests for additional copies of this Offer to Purchase or the Letter of Transmittal should be directed to the Depository and Information Agent at the address and telephone numbers set forth below:

The Depository and Information Agent for the Tender Offer is:

Global Bondholder Services Corporation

65 Broadway – Suite 723
New York, New York 10006
Attn: Corporate Actions

Banks and Brokers call: (212) 430-3774
Toll free (866) 804-2200

Any questions regarding the terms of the Tender Offer should be directed to the Dealer Managers at the address and telephone numbers set forth below:

The Dealer Managers for the Tender Offer are:

Banc of America Securities LLC

One Bryant Park, 10th Floor
New York, NY 10036
Attn: Liability Management Group
Collect: (646) 855-3401
U.S. Toll Free: (888) 292-0070

Planner Securities LLC

150 E. 52nd Street, 7th Floor
New York, NY 10022
Attn: Paul Baessler
Collect: (646) 381-7001

LETTER OF TRANSMITTAL
of
REDE ENERGIA S.A.

Pursuant to the Offer to Purchase
dated June 1, 2009

This Tender Offer will expire at 12:00 midnight, New York City time, on Friday, June 26, 2009, unless extended or earlier terminated by us (such time and date, as the same may be extended, the "Expiration Date"). Holders must validly tender, and not validly withdraw, their Notes at or prior to 5:00 p.m., New York City time, on Friday, June 12, 2009, unless extended by us (such time and date, as the same may be extended, the "Early Tender Date") to receive the Total Consideration (as defined below), together with the Accrued Interest (as defined below). Subject to the satisfaction of certain conditions, Holders who validly tender, and do not withdraw, their Notes after the Early Tender Date and at or prior to the Expiration Date will receive only the Tender Offer Consideration (as defined below), together with the Accrued Interest, and not the Total Consideration. Payment of the Total Consideration or the Tender Offer Consideration, as applicable, will be made on the Settlement Date (as defined below).

The Depository and Information Agent for the Tender Offer is:

GLOBAL BONDHOLDER SERVICES CORPORATION

By facsimile:
(For Eligible Institutions Only):
(212) 430-3775

Confirmation:
(212) 430-3774

Registered/Certified Mail:
65 Broadway - Suite 723
New York, New York 10006

Air Courier:
65 Broadway - Suite 723
New York, New York 10006

In Person:
65 Broadway - Suite 723
New York, New York 10006

DELIVERY OF THIS LETTER OF TRANSMITTAL (AS THE SAME MAY BE AMENDED OR SUPPLEMENTED FROM TIME TO TIME, THE "LETTER OF TRANSMITTAL") TO THE DEPOSITARY AND INFORMATION AGENT AT AN ADDRESS OTHER THAN AS SET FORTH ABOVE, OR TRANSMISSION OF INSTRUCTIONS VIA A FACSIMILE TO A NUMBER OTHER THAN AS LISTED ABOVE, WILL NOT CONSTITUTE A VALID DELIVERY. THE INSTRUCTIONS CONTAINED IN THIS LETTER OF TRANSMITTAL SHOULD BE READ CAREFULLY BEFORE IT IS COMPLETED.

The instructions contained herein should be read carefully before this Letter of Transmittal is completed and signed. All capitalized terms used herein and not defined herein shall have the meanings ascribed to them in the Offer to Purchase, dated June 1, 2009 (as the same may be amended or supplemented from time to time, the “Offer to Purchase”). To the extent there are any conflicts between the terms and conditions of this Letter of Transmittal and the terms and conditions of the Offer to Purchase, the terms and conditions of the Offer to Purchase shall control.

Any questions related to the procedure for tendering Notes and requests for assistance may be directed to either the Dealer Manager or the Information Agent each at its address and telephone number set forth on the back cover of this Letter of Transmittal. Requests for additional copies of the Offer to Purchase, this Letter of Transmittal, or any other documents may be directed to the Information Agent at the address and telephone numbers set forth on the back cover of this Letter of Transmittal.

This Letter of Transmittal and the instructions hereto and the Offer to Purchase constitute an offer (the “Tender Offer”) by Rede Energia S.A. (“Rede”) to purchase the Notes for cash, on the terms and subject to the conditions set forth in the Offer to Purchase and this Letter of Transmittal. The Notes were issued by and represent obligations of Rede.

If you are a beneficial owner of Notes held in book-entry form (other than a direct participant in The Depository Trust Company (“DTC”)), this Letter of Transmittal is being furnished to you for your information only. If you wish to participate in the Tender Offer, you must instruct your broker, dealer, commercial bank, trust company or other nominee to follow the required procedures in order for them to act on your behalf.

The Depository and DTC have confirmed that the Tender Offer is eligible for the DTC Automated Tender Offer Program (“ATOP”) as set forth in the Offer to Purchase under “Terms of the Tender Offer—Procedures for Tendering Notes—Tender of Notes Held Through DTC.” DTC participants may electronically transmit their acceptance of the Tender Offer by causing DTC to transfer their Notes to the Depository in accordance with DTC’s ATOP procedures for such transfer. Accordingly, DTC participants using ATOP need not complete and physically deliver this Letter of Transmittal to the Depository and may transmit an Agent’s Message in lieu hereof. The term “Agent’s Message” is defined in Instruction 2 below.

As of the date of the Offer to Purchase, all Notes are held in book-entry form by DTC as record holder. Tenders of Notes in book-entry form can be made only by direct participants in DTC whose name appears on a security position listing with DTC as the owner of Notes. This Letter of Transmittal may be used by DTC participants to participate in the Tender Offer. For purposes of this Letter of Transmittal, the term “Holder” refers to such DTC participants.

A tender will be deemed to have been received only when the Depository receives (1) either a duly completed agent’s message through the facilities of DTC at the Depository’s DTC account or a properly completed Letter of Transmittal, and (2) confirmation of book-entry transfer of the Notes into the Depository’s applicable DTC account.

You may submit only one agent’s message or Letter of Transmittal for the Notes tendered.

Notwithstanding any other provision of the Tender Offer, the obligations of Rede to accept for purchase, and to pay the Total Consideration (which includes the Early Tender Payment) or the Tender Offer Consideration, as applicable, plus an amount of accrued and unpaid interest thereon from the last interest payment date preceding the purchase date for such Notes (the “Settlement Date”) up to, but not including, the Settlement Date for such Notes (the “Accrued Interest”), for Notes validly tendered pursuant to the Tender Offer is subject to and conditioned upon the satisfaction of (or, where applicable, waiver by Rede of) all applicable conditions described under “Terms of the Tender Offer—Conditions to the Tender Offer.”

You may withdraw tendered Notes at any time on or prior to 5:00 p.m., New York City time, on June 12, 2009, unless extended by Rede (the “Withdrawal Date”). After the Withdrawal Date, but on or prior to the Expiration Date, holders of Notes do not have withdrawal rights and tenders of Notes may not be withdrawn after that time unless Rede is otherwise required by law to permit withdrawal.

Rede will pay you, or cause you to be paid, for your tendered (and not withdrawn) Notes that Rede accepts pursuant to the Tender Offer, the Tender Offer Consideration and, if your Notes are validly tendered (and not withdrawn) at or prior to the Early Tender Date, the Early Tender Payment, plus an amount equal to any Accrued Interest, in cash promptly after the Expiration Date.

In the event that the Tender Offer is withdrawn or otherwise is not completed, neither the Total Consideration or the Tender Offer Consideration that might otherwise have been applicable, nor the Accrued Interest, will be paid or become payable to holders who have tendered their Notes in the Tender Offer, and any Notes tendered pursuant to the Tender Offer will be credited to your account.

THE OFFER IS NOT BEING MADE TO, NOR WILL TENDERS OF NOTES BE ACCEPTED FROM OR ON BEHALF OF, HOLDERS IN ANY JURISDICTION IN WHICH THE MAKING OR ACCEPTANCE OF THE TENDER OFFER WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION.

A tendering Holder, by execution of this Letter of Transmittal (or a facsimile hereof), waives all rights to receive notice of acceptance of such Holder's Notes for purchase.

See the instructions below regarding the completion and delivery of this Letter of Transmittal. No alternative, conditional or contingent tenders will be accepted.

Item 1. Description of the Notes Tendered and Bid Price.

Indicate in the box below the aggregate principal amount of Notes to which this Letter of Transmittal relates, and either (i) specify the Bid Price (in increments of US\$2.50) within the range from US\$450.00 (the “Base Price”) and US\$530.00 that you would be willing to receive in exchange for each US\$1,000 principal amount of Notes, or (ii) do not specify a Bid Price, in which case you will be deemed to have specified the Base Price. If the space provided below is inadequate, list the principal amount of Notes being tendered and the Bid Price, if any, on a separately executed schedule and affix the schedule to this Letter of Transmittal.

Description of the Notes Tendered and Bid Price			
Name(s) and Address(es) of Holder(s) or Name of DTC Participant and Account Number in which Notes are Held (Please fill in, if blank)	Aggregate Principal Amount Represented*	Aggregate Principal Amount Tendered	Bid Price at which Notes are Being Tendered**
Total Principal Amount of Notes			
<p>* Unless otherwise indicated in the column labeled “Aggregate Principal Amount Tendered” and subject to the terms and conditions of the Offer to Purchase, a Holder will be deemed to have tendered with respect to the entire aggregate principal amount represented by the Notes indicated in the column labeled “Aggregate Principal Amount Represented.” See Instruction 3. Only Holders may validly tender their Notes pursuant to the Tender Offer.</p> <p>** Each Bid Price must be in multiples of US\$2.50 per US\$1,000 principal amount. If any Bid Price is not submitted in a whole increment of US\$2.50, such Bid Price will be rounded down to the nearest US\$2.50 increment. The Bid Price you specify, if any, must be within a range between US\$450.00 and US\$530.00 per US\$1,000 principal amount, and no Notes will be accepted outside this range. Holders who tender Notes without specifying a price will be deemed to have selected the Base Price as to the Notes. Your Bid Price includes the Early Tender Payment described elsewhere herein. Accordingly, a Holder that submits its bid after the Early Tender date may receive less than its stated bid Price in exchange for its Notes.</p>			

Holders who wish to be eligible to receive the Total Consideration, which includes the Early Tender Payment, plus the Accrued Interest pursuant to the Tender Offer must validly tender their Notes at or prior to the Early Tender Date. Holders who validly tender their Notes after the Early Tender Date but at or prior to the Expiration Date, will be eligible to receive the Tender Offer Consideration, but not the Early Tender Payment, plus the Accrued Interest.

The undersigned authorizes the Depository to deliver this Letter of Transmittal to Rede as evidence of the undersigned’s tender of Notes.

The name(s) and address(es) of the DTC Participant should be printed exactly as they appear on a security position listing as the owner of the Notes.

The completion, execution and delivery of this Letter of Transmittal in connection with the tender of Notes will be deemed to constitute agreement that Notes may not be withdrawn, except as expressly provided in the Offer to Purchase under “Terms of the Tender Offer—Withdrawal of Tenders.”

If you do not wish to tender your Notes you do not need to return this Letter of Transmittal or take any other action.

Item 2. Soliciting Dealer, if any.

The Dealer Managers will pay to soliciting dealers a solicitation fee of US\$2.50 per US\$1,000 in principal amount of Notes tendered, not validly withdrawn and accepted for purchase and paid pursuant to the Tender Offer in respect of tenders of Notes in principal amounts less than US\$250,000. As used herein, a “soliciting dealer” is an entity covered by the Letter of Transmittal which designated its name as having solicited and obtained the tender, and is:

- any broker or dealer in securities, excluding the Dealer Managers which is a member of any national securities exchange or of the Financial Industry Regulatory Authority (“FINRA”);
- any foreign broker or dealer not eligible for membership in the NASD which agrees to conform to the NASD’s Rules of Fair Practice in soliciting tenders outside the United States to the same extent as though it were a member of FINRA; or
- any bank or trust company.

Designate any soliciting dealer below.

Name: _____

DTC Account: _____

NOTE: SIGNATURES MUST BE PROVIDED BELOW
PLEASE READ THE ACCOMPANYING INSTRUCTIONS CAREFULLY

Ladies and Gentlemen:

By execution hereof, the undersigned hereby acknowledges receipt of the Offer to Purchase, dated June 1, 2009 (the "Offer to Purchase"), of Rede Energia S.A. ("Rede"), and this Letter of Transmittal (the "Letter of Transmittal" and, together with the Offer to Purchase, the "Offer Documents") relating to Rede's tender offer (the "Tender Offer") to purchase for cash, upon the terms and subject to the conditions set forth in the Offer Documents, the maximum aggregate principal amount of its 11.125% Perpetual Notes (the "Notes") that Rede can purchase for the U.S. dollar equivalent of R\$300,000,000, calculated as provided in the Offer to Purchase (the "Maximum Payment Amount") at a purchase price per US\$1,000 principal amount determined in accordance with the Tender Offer. The Tender Offer will expire at 12:00 midnight, New York City time, on June 26, 2009, unless extended or earlier terminated by Rede (such date and time, as the same may be extended, the "Expiration Date"). Holders of Notes must validly tender and not withdraw their Notes at or prior to 5:00 p.m., New York City time, on June 12, 2009, unless extended by Rede (such date and time, as the same may be extended, the "Early Tender Date"), in order to receive the Total Consideration for their Notes shown in the chart on page 11 of the Offer to Purchase. The Total Consideration includes an Early Tender Payment of US\$50 for each US\$1,000 principal amount of Notes validly tendered on or before the Early Tender Date and accepted in the tender offer. The Tender Offer is not conditioned on any minimum amount of Notes being tendered.

Upon the terms and subject to the conditions set forth in the Tender Offer and in accordance with this Letter of Transmittal, the undersigned hereby tenders to Rede the principal amount of the Notes indicated in the above table captioned "Description of the Notes Tendered and Bid Price" under the column heading "Aggregate Principal Amount Tendered" (or, if nothing is indicated therein, the entire aggregate principal amount represented by the Notes), hereby revoking (if permitted by the terms of the Tender Offer) any previously submitted Letters of Transmittal.

Subject to, and effective upon, acceptance for purchase of, and payment for, the principal amount of Notes tendered with this Letter of Transmittal in accordance with the terms and subject to the conditions of the Tender Offer and applicable law, the undersigned hereby agrees to sell, assign and transfer to, or upon the order of, Rede, all right, title and interest in and to all of the Notes tendered hereby, waives any and all other rights with respect to the Notes (including, without limitation, any existing or past defaults in respect of the Notes and the Indenture under which the Notes were issued), and releases and discharges Rede and its respective subsidiaries and affiliates from any and all claims such Holder may have now, or may have in the future, arising out of, or related to the Notes, including, without limitation, any claims that such Holder is entitled to receive additional principal or interest payments with respect to the Notes or to participate in any redemption or defeasance of the Notes.

The undersigned hereby irrevocably constitutes and appoints the Depositary as the true and lawful agent and attorney-in-fact of the undersigned (with full knowledge that the Depositary also acts as the agent of Rede) with respect to such Notes, with full powers of substitution and revocation (such power of attorney being deemed to be an irrevocable power coupled with an interest) to (1) present the tendered Notes and all evidences of transfer and authenticity to, or transfer ownership of, such Notes on the account books maintained by DTC or Rede to, or upon the order of, Rede, (2) present such Notes for transfer of ownership on the books of the relevant security register, and (3) receive all benefits and otherwise exercise all rights of beneficial ownership of such Notes.

The undersigned understands and acknowledges that the Tender Offer is subject to certain conditions, including the Financing Condition and certain other conditions set forth in the Offer to Purchase under "Terms of the Tender Offer—Conditions to the Tender Offer." Rede will return the Notes promptly after the Expiration Date in the event that Rede does not pay the Total Consideration or the Tender Offer Consideration, as applicable, after Rede accepts tenders.

The undersigned understands that (1) Notes tendered prior to the Early Tender Date may only be properly withdrawn prior to the Withdrawal Date, but not thereafter, except in the limited circumstances described below, and (2) Notes tendered after the Early Tender Date and at or prior to the Expiration Date may not be properly withdrawn, except in the limited circumstances described below. Notes tendered and not subsequently withdrawn at or prior to

the Early Tender Date and Notes tendered after the Early Tender Date and at or prior to the Expiration Date may be withdrawn only if Rede reduces the amount of the Tender Offer Consideration, the Early Tender Payment or, after the Exchange Rate Date, the Maximum Payment Amount or is otherwise required by law (as determined by Rede) to permit withdrawal. Under such circumstances, previously tendered Notes may be properly withdrawn until the expiration of ten business days after the date that notice of such reduction or requirement is first published or given or sent to Holders by Rede. Further, tendered Notes may be validly withdrawn if the Tender Offer is terminated without any Notes being purchased thereunder. In the event of a termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

In the event of a termination or withdrawal of the Tender Offer, Notes tendered pursuant to the Tender Offer will promptly be returned to the Holder or credited to such Holder's account through DTC and such Holder's DTC participant, unless otherwise indicated under "Special Delivery Instructions." In the event Notes tendered by a Holder are not purchased due to proration, they will be promptly returned to such Holder or credited to such Holder's account, unless otherwise indicated under "Special Delivery Instructions."

The undersigned understands that tenders of Notes pursuant to any of the procedures described in the Offer to Purchase and in the instructions hereto and acceptance of such Notes by Rede will constitute a binding agreement between the undersigned and Rede upon the terms and subject to the conditions of the Tender Offer and this Letter of Transmittal. For purposes of the Tender Offer, the undersigned understands that Rede will be deemed to have accepted for purchase validly tendered Notes (or defectively tendered Notes with respect to which Rede has waived, or has caused to be waived, such defect) if, as and when Rede gives oral or written notice of acceptance and/or waiver to the Depository, as specified under the caption "Terms of the Tender Offer—Acceptance for Purchase and Payment for Notes" in the Offer to Purchase.

The undersigned understands that Rede will, upon the terms and subject to the conditions of the Tender Offer, determine the price it will pay for Notes validly tendered and not validly withdrawn pursuant to the Tender Offer, after taking into account the number of Notes so tendered and the Bid Prices specified by tendering holders. The undersigned understands that Rede will select the lowest Clearing Premium that will allow it to purchase the largest principal amount of Notes up to the Maximum Payment Amount, upon the terms and subject to the conditions of the Tender Offer. Acceptance of tendered Notes may be subject to proration as described in the Offer to Purchase.

The undersigned covenants, represents and warrants to Rede that, in connection with its tender of the Notes indicated in the box above pursuant hereto:

1. the undersigned has received a copy of this document and the Offer to Purchase and agrees to be bound by all the terms and conditions of the Tender Offer;
2. the undersigned has full power and authority to tender, sell, assign and transfer the Notes tendered hereby;
3. the undersigned has assigned and transferred such Notes to the Depository and irrevocably constitutes and appoints the Depository as its, his or her true and lawful agent and attorney-in-fact to cause such Notes to be tendered in the Tender Offer, that power of attorney being irrevocable and coupled with an interest, subject only to the right of withdrawal (described in the Offer to Purchase), it being understood that the right of withdrawal terminates with respect to the Notes on the Withdrawal Date;
4. the undersigned's Notes are being tendered, and will, when accepted by the Depository, be free and clear of all charges, liens, restrictions, claims, equitable interests and encumbrances, other than the claims of a holder under the terms of the Tender Offer; and
5. the undersigned will, upon Rede's request or the request of the Depository, as applicable, execute and deliver any additional documents necessary or desirable to complete the tender of such Notes.

The holder of each Note tendered and accepted for payment will receive interest, if any, thereon from the last interest payment date preceding the Settlement Date up to, but not including, the Settlement Date, upon the terms

and subject to the conditions described in the Offer to Purchase. Under no circumstances will any interest be payable because of any delay in the transmission of funds to holders by DTC.

The undersigned understands that Rede is not required to accept for purchase any of the Notes tendered after 12:00 midnight, New York City time, on the Expiration Date.

Rede expressly reserves the absolute right in its sole discretion, subject to applicable law, at any time or from time to time, prior to the Expiration Date, regardless of whether any of the events set forth in “Terms of the Tender Offer—Conditions to the Tender Offer” of the Offer to Purchase shall have occurred or shall have been determined by us to have occurred, to: (1) waive any and all conditions to the Tender Offer and accept all Notes previously tendered pursuant to the Tender Offer as described under “Terms of the Tender Offer—Conditions to the Tender Offer” of the Offer to Purchase, (2) extend the Early Tender Date or the Expiration Date and retain all Notes tendered pursuant to the Tender Offer, subject to the withdrawal rights of Holders as described under “Terms of the Tender Offer—Withdrawal of Tenders” of the Offer to Purchase, (3) amend the terms of the Tender Offer in any respect, and (4) terminate the Tender Offer and not accept for purchase any tendered Notes. Any amendment applicable to the Tender Offer will apply to all Notes tendered pursuant to the Tender Offer. See “Terms of the Tender Offer—Expiration Date; Extension, Amendments and Termination” in the Offer to Purchase.

All authority conferred or agreed to be conferred by this Letter of Transmittal shall not be affected by, and shall survive, the death or incapacity of the undersigned, and every obligation of the undersigned under this Letter of transmittal shall be binding upon the heirs, executors, administrators, trustees in bankruptcy, personal and legal representatives, successors and assigns of the undersigned.

The undersigned understands that the delivery and surrender of the Notes is not effective, and the risk of loss of the Notes does not pass to the Depository, until receipt by the Depository of this Letter of Transmittal, or a manually signed facsimile hereof, properly completed and duly executed, together with all accompanying evidences of authority and any other required documents in form satisfactory to Rede. All questions as to the form of all documents and the validity (including time of receipt) and acceptance of tenders and withdrawals of Notes will be determined by Rede, in its sole discretion, which determination shall be final and binding.

Unless otherwise indicated in this Letter of Transmittal under “Special Payment Instructions,” the undersigned hereby requests that any Notes tendered that are not accepted for purchase be credited to the account at DTC of the DTC participant that tendered the Notes by this Letter of Transmittal, and checks for payment of the Total Consideration or Tender Offer Consideration, as applicable, to be made in connection with the Tender Offer be issued to the order of the undersigned. Similarly, unless otherwise indicated herein under “Special Delivery Instructions,” the undersigned hereby requests that checks for payment of the Total Consideration or Tender Offer Consideration, as applicable, to be made in connection with the Tender Offer be delivered to the undersigned at the address(es) shown above.

In the event that the “Special Payment Instructions” box or the “Special Delivery Instructions” box is, or both are, completed, the undersigned hereby requests that checks for payment of the Total Consideration or Tender Offer Consideration, as applicable, be made in connection with the Tender Offer be issued in the names of, and be delivered to, the person(s) at the address(es) so indicated, as applicable. The undersigned recognizes that Rede has no obligation pursuant to the “Special Payment Instructions” box or the “Special Delivery Instructions” box to transfer any Notes from the name of the registered holder(s) thereof if Rede does not accept for purchase any of the principal amount of such Notes so tendered.

SPECIAL PAYMENT INSTRUCTIONS

(See instructions 3, 6, 7 and 8)

To be completed ONLY (1) if checks for the Total Consideration or Tender Offer Consideration, as applicable, plus the Accrued Interest are to be issued to the order of someone other than the person or person whose name(s) appears in the box entitled "Name and Address of Holder" above, or (2) if the Notes that are not accepted for purchase are to be credited to an account maintained at DTC other than the one designated above.

Issue: Notes Checks

Name
_____ (Please Print)

Address
_____ (Please Print)

(Zip Code)

(TAXPAYER IDENTIFICATION NUMBER) (SEE "IMPORTANT TAX INFORMATION" AND "GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9")

Credit unpurchased Notes to the DTC account set forth below:

(DTC ACCOUNT NUMBER)

Name of Account Party:

SPECIAL DELIVERY INSTRUCTIONS

(See instructions 3, 6, 7 and 8)

To be completed ONLY if checks for the Total Consideration or Tender Offer Consideration, as applicable, plus the Accrued Interest are to be sent to an address different from that shown in the box headed "Name and Address of Holder" above.

Deliver: Checks

Name
_____ (Please Print)

Address
_____ (Please Print)

(Zip Code)

(TAXPAYER IDENTIFICATION NUMBER) (SEE "IMPORTANT TAX INFORMATION" AND "GUIDELINES FOR CERTIFICATION OF TAXPAYER IDENTIFICATION NUMBER ON SUBSTITUTE FORM W-9")

IMPORTANT—READ CAREFULLY

DTC participants must execute this Letter of Transmittal exactly as such participant's name appears on a DTC position listing. If this Letter of Transmittal is signed by an attorney-in-fact, officer of a corporation, trustee, executor, administrator, guardian or other person acting in a fiduciary or representative capacity, such person should so indicate when signing and must submit proper evidence satisfactory to Rede of such person's authority to so act pursuant to Instruction 5.

SIGN HERE

SIGNATURE(S) OF HOLDER(S) OR AUTHORIZED SIGNATORY

DATED: _____

NAME(S): _____

(PLEASE TYPE OR PRINT)

CAPACITY (FULL TITLE): _____

ADDRESS: _____

(INCLUDING ZIP CODE)

AREA CODE AND TELEPHONE NO.: (____) _____

TAX IDENTIFICATION OR SOCIAL SECURITY NO.: _____

PLEASE COMPLETE SUBSTITUTE FORM W-9 OR APPROPRIATE FORM W-8, AS APPLICABLE

**SIGNATURE GUARANTEE (SEE INSTRUCTION 6 BELOW)
IF REQUIRED, CERTAIN SIGNATURES MUST BE GUARANTEED.**

(NAME OF INSTITUTION GUARANTEEING SIGNATURES)

(ADDRESS (INCLUDING ZIP CODE) AND TELEPHONE NUMBER (INCLUDING AREA CODE) OF INSTITUTION)

(AUTHORIZED SIGNATURE)

(PRINTED NAME)

(TITLE)

Instructions for Holders Forming Part of the Terms and Conditions of this Letter of Transmittal

1. Expiration Date; Early Tender Date. The Expiration Date means, with respect to the Tender Offer, 12:00 midnight, New York City time, on Friday, June 26, 2009, or any later time and date to which Rede in its sole discretion extends the Tender Offer.

The Early Tender Date means, with respect to the Tender Offer, 5:00 p.m., New York City time, on Friday, June 12, 2009, or any later time and date to which Rede in its sole discretion extends the Early Tender Date.

2. Delivery of this Letter of Transmittal or Book-Entry Confirmations. To tender Notes in the Tender Offer, confirmation of a book-entry transfer of the Notes into the Depository's account with DTC and a properly completed and duly executed copy or manually signed facsimile of this Letter of Transmittal and any other documents required as provided herein must be received by the Depository at the address set forth above on this Letter of Transmittal at or prior to 12:00 midnight, New York City time, on the Expiration Date or, if the Holder wishes to be eligible to receive the Total Consideration, 5:00 p.m., New York City time, on the Early Tender Date.

A holder may also tender Notes that are held through DTC by transmitting its acceptance of the Tender Offer through ATOP, for which the Tender Offer is eligible, and DTC will then edit and verify the acceptance and send an Agent's Message to the Depository for its acceptance. The term "Agent's Message" means a message transmitted by DTC and received by the Depository and forming part of the book-entry confirmation, which states that DTC has received an express acknowledgment from each participant in DTC tendering the Notes that such participant has received this Letter of Transmittal and agrees to be bound by the terms of this Letter of Transmittal, and Rede may enforce such agreement against such participant. DTC participants using ATOP need not complete and physically deliver this Letter of Transmittal to the Depository.

The method of delivery of this Letter of Transmittal, the Notes and all other required documents to the Depository, including delivery through DTC and any acceptance or Agent's Message transmitted through ATOP, is at the election and risk of the tendering Holder. Delivery will be deemed made only when actually received by the Depository. In all cases, sufficient time should be allowed to assure timely delivery. Beneficial owners of the Notes that are held by a broker, dealer, commercial bank, trust company or other nominee should contact such broker, dealer, commercial bank, trust company or other nominee promptly and instruct such person, as the holder of the Notes, to arrange for timely delivery of this Letter of Transmittal on behalf of the beneficial owner. **No Letter of Transmittal or other required documents should be sent to any person other than the Depository. Delivery of documents to DTC does not constitute delivery to the Depository.**

No alternative, conditional or contingent tenders will be accepted. A tendering Holder, by execution of this Letter of Transmittal (or a facsimile hereof), waives all rights to receive notice of acceptance of such Holder's Notes for purchase.

3. Partial Tenders. Tenders of Notes pursuant to the Tender Offer will be accepted only in respect of principal amounts of US\$1,000 or any integral multiple of US\$1,000 in excess thereof. If Holders wish to tender with respect to less than the entire principal amount evidenced by any Notes submitted, such Holders must fill in the principal amount that is to be tendered in the column entitled "Aggregate Principal Amount Tendered" in the table entitled "Description of the Notes Tendered and Bid Price." In the case of a partial tender of Notes, as soon as practicable after the Expiration Date, new certificates for the remainder of the Notes that were evidenced by such Holder's old certificates will be issued in the name of and sent to such Holder, unless otherwise provided in the appropriate "Special Instruction" box or boxes on this Letter of Transmittal. Unless otherwise indicated in the table entitled "Description of the Notes Tendered and Bid Price" under the column heading "Aggregate Principal Amount Tendered," the entire principal amount that is represented by Notes delivered to the Depository will be deemed to have been tendered. If any Notes tendered are not accepted for payment, such Notes will be returned to the holder by credit to its account at DTC, unless otherwise provided in the "Special Delivery Instructions" box on this Letter of Transmittal (see Instruction 7), promptly after the Expiration Date.

4. Bid Price. Each Bid Price must be in multiples of US\$2.50 per US\$1,000 principal amount. If any Bid Price is not submitted in a whole increment of US\$2.50, such Bid Price will be rounded down to the nearest

US\$2.50 increment. The Bid Price you specify, if any, must be within a range between US\$450.00 and US\$530.00 per US\$1,000 principal amount, and no Notes will be accepted outside this range. Holders who tender Notes without specifying a price will be deemed to have selected the Base Price as to the Notes. Your Bid Price includes the Early Tender Payment described in the Offer to Purchase. Accordingly, a Holder that submits its bid after the Early Tender date may receive less than its stated bid Price in exchange for its Notes.

5. Signatures on this Letter of Transmittal; Bond Powers and Endorsements. The signature on this Letter of Transmittal of the DTC participant tendering the Notes pursuant hereto must correspond to the name of the participant set forth in the DTC security position listing as the owner of the Notes without any alteration, enlargement or change whatsoever.

If any of the Notes tendered hereby are registered in the name of two or more Holders, all such Holders must sign this Letter of Transmittal. If any of the Notes tendered hereby are registered in different names on several certificates, it will be necessary to complete, sign and submit as many separate Letters of Transmittal as there are different registrations of certificates.

If this Letter of Transmittal is signed by a trustee, executor, administrator, guardian, attorney-in-fact, agent, officer of a corporation or other person acting in a fiduciary or representative capacity, such person should so indicate when signing, and proper evidence satisfactory to Rede of such person's authority to so act must be submitted.

6. Signature Guarantees. All signatures on this Letter of Transmittal must be guaranteed by a recognized participant in the Securities Transfer Agents Medallion Program, the New York Stock Exchange Medallion Signature Program or the Stock Exchange Medallion Program, unless (1) this Letter of Transmittal is signed by a DTC participant whose name appears on a security position listing as the owner of the Notes, or (2) such Notes are tendered for the account of a member firm of a registered national securities exchange, a member of the National Association of Securities Dealers, Inc. or a commercial bank or trust company having an office or correspondent in the United States or other Eligible Institution.

7. Special Payment and Special Delivery Instructions. Complete the "Special Payment Instructions" box if (1) checks for the Total Consideration or the Tender Offer Consideration, as applicable, plus the Accrued Interest are to be issued to the order of someone other than the person or persons whose names(s) appear(s) in the box entitled "Name and Address of Holder" above, or (2) if the Notes tendered that are not accepted for purchase are to be credited to an account maintained at DTC other than the one designated on this Letter of Transmittal. If issuance of any check is to be made to a different name, the taxpayer identification number of the person named must also be indicated.

Complete "Special Delivery Instructions" box if checks for the Total Consideration or the Tender Offer Consideration, as applicable, are to be sent to an address different from that shown in the box entitled "Name and Address of Holder" above.

If either the "Special Payment Instructions" box or the "Special Delivery Instructions" box is completed, the signature(s) on this Letter of Transmittal must be guaranteed, unless execution is by an Eligible Institution (including a DTC participant).

Transfer taxes may apply as a result of a Holder completing the special payment instructions. Payment of any such taxes is the responsibility of the requesting Holder and Rede shall be under no obligation to honor any such instructions unless and until any such taxes are paid and satisfactory evidence of such payment is presented.

8. Withdrawals of Tenders. Notes tendered at or prior to the Early Tender Date may only be properly withdrawn at or prior to the Early Tender Date, but not thereafter, except in the limited circumstances described below. Notes tendered after the Early Tender Date and at or prior to the Expiration Date may not be withdrawn, except in the limited circumstances described below. Notes tendered and not subsequently withdrawn at or prior to the Early Tender Date and Notes tendered after the Early Tender Date and at or prior to the Expiration Date may be withdrawn only if Rede reduces the amount of the Tender Offer Consideration, the Early Tender Payment or, after the Exchange Rate Date, the Maximum Payment Amount or is otherwise required by law (as determined by Rede) to permit withdrawal. Under such circumstances, previously tendered Notes may be properly withdrawn until the expiration of ten business days after the date that notice of such reduction or requirement is first published or given or sent to Holders by Rede. Further, tendered Notes may be validly withdrawn if the Tender Offer is terminated without any Notes being purchased thereunder. In the event of a termination of the Tender Offer, the Notes tendered pursuant to the Tender Offer will be promptly returned to the tendering Holders.

Unless expressly stated otherwise, references herein to withdrawal of Notes shall mean a permitted withdrawal as set forth in “Terms of the Tender Offer—Withdrawal of Tenders” of the Offer to Purchase. For a withdrawal of Notes to be effective, a written or facsimile transmission notice of withdrawal must be received by the Depository (which may take the form of a message transmitted to DTC in accordance with its procedures for book-entry withdrawal of Notes and timely received by the Depository) at its address set forth above on or prior to the relevant date and time as specified in the preceding paragraph. In order to be valid, the notice of withdrawal must specify the name of the person who tendered the Notes to be withdrawn (the “Depositor”), the name of the participant in DTC whose name appears on the security position listing as the owner of such Notes, if different from that of the Depositor, and the principal amount of Notes to be withdrawn, and be signed by the holder of such Notes in the same manner as the original signature on this Letter of Transmittal (including any required signature guarantee(s)) or be accompanied by a properly completed irrevocable proxy, in form satisfactory to Rede (including any signature guarantee(s)), that authorizes the person that executed the notice of withdrawal to effect such withdrawal or revocation on behalf of the holder. A purported notice of withdrawal that lacks any of the required information or is dispatched to an improper address will not properly withdraw a tender previously given. Any Notes properly withdrawn before the Expiration Date will be deemed to be not validly tendered for purposes of the Tender Offer. A holder who has properly delivered a notice of withdrawal of tendered Notes may thereafter re-tender the Notes following the above procedures at any time at or prior to the Expiration Date to receive the Tender Offer Consideration, or at or prior to the Early Tender Date to receive the Total Consideration.

9. Transfer Taxes. Rede will pay or cause to be paid all transfer taxes with respect to the purchase of any Notes unless the box titled “Special Payment Instructions” or the box titled “Special Delivery Instructions” in the above table has been completed, as described in the instructions thereto. Rede will pay all other charges and expenses in connection with the Tender Offer. If the box entitled “Special Payment Instructions” or the box entitled “Special Delivery Instructions” in the above table has been completed and any transfer taxes arise as a result of a direction indicated therein, the amount of any such transfer taxes (whether imposed on the tendering Holder or on any other persons) will be payable by the tendering Holder.

10. Waivers of Conditions. Rede reserves the absolute right, subject to applicable law, to terminate, amend, waive or modify the terms of the Tender Offer, as more fully described in the Offer to Purchase.

11. Requests for Assistance or Additional Copies. Any questions and requests for assistance may be directed to the Dealer Managers at their respective addresses and telephone numbers set forth in the last page of this Offer to Purchase. Additional copies of this Offer to Purchase, the Letter of Transmittal and related materials may be obtained by contacting the Information Agent at the telephone number and address set forth in the last page of this Offer to Purchase. You may also contact your broker, dealer, commercial bank, trust company or other nominee for assistance concerning the Tender Offer.

12. Questions Regarding Validity, Form, Legality, etc. All questions as to the form of documents and the validity, eligibility (including time of receipt), acceptance for purchase of tendered Notes will be determined by Rede, in its sole discretion, which determination will be final and binding. Rede reserves the absolute right to reject any and all tenders of Notes that it determines are not in proper form or the acceptance for purchase of or payment for which may, in the opinion of Rede’s counsel, be unlawful. Rede also reserves the absolute right in its sole discretion to waive any of the conditions of the Tender Offer or any defect or irregularity in the tender of Notes of

any particular Holder, whether or not similar defects or irregularities are waived in the case of other Holders. Any defect or irregularity in connection with tenders of Notes must be cured within such time as Rede determines, unless waived by Rede. Tenders of Notes shall not be deemed to have been made until all defects and irregularities have been waived by Rede or cured. Rede's interpretation of the terms and conditions of the Tender Offer (including the instructions in this Letter of Transmittal) will be final and binding. None of Rede, the Depositary, the Dealer Manager, the Information Agent or any other person will be under any duty to give notification of any defects or irregularities in tenders or will incur liability for failure to give any such notification.

IMPORTANT TAX INFORMATION

INTERNAL REVENUE SERVICE CIRCULAR 230 DISCLOSURE

PURSUANT TO INTERNAL REVENUE SERVICE CIRCULAR 230, WE HEREBY INFORM YOU THAT THE DESCRIPTION SET OUT HEREIN WITH RESPECT TO U.S. FEDERAL TAX ISSUES WAS NOT INTENDED OR WRITTEN TO BE USED, AND SUCH DESCRIPTION CANNOT BE USED, BY ANY TAXPAYER, FOR THE PURPOSE OF AVOIDING ANY PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER UNDER THE U.S. INTERNAL REVENUE CODE. SUCH DESCRIPTION WAS WRITTEN TO SUPPORT THE MARKETING OF THE TENDER OFFER. TAXPAYERS SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

RECIPIENTS OF THE OFFER TO PURCHASE AND THIS LETTER OF TRANSMITTAL SHOULD NOT CONSTRUE THE CONTENTS HEREOF OR THEREOF AS LEGAL, BUSINESS OR TAX ADVICE. EACH RECIPIENT SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISOR AND TAX ADVISOR AS TO LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER TO PURCHASE.

Under current U.S. federal income tax law, a U.S. holder whose tendered Notes are accepted for payment may be subject to backup withholding at a rate of 28% on all reportable payments received pursuant to the Tender Offer. To prevent backup withholding on such payments, a U.S. holder generally is required to provide his or her correct taxpayer identification number ("TIN") by completing the enclosed Substitute Form W-9, certifying that (i) the TIN provided on the form is correct, (ii) (x) the U.S. holder has not been notified by the Internal Revenue Service (the "IRS") that the holder is subject to backup withholding as a result of failure to report payments of interest or dividends or (y) after being so notified, the IRS has notified the holder that he or she is no longer subject to backup withholding and (iii) the holder is a U.S. person (including a U.S. resident alien). Alternatively, a U.S. holder can prevent backup withholding by providing a basis for an exemption from backup withholding. If the correct TIN or an adequate basis for exemption is not provided, payments made to such U.S. holder with respect to Notes purchased pursuant to the Tender Offer may be subject to backup withholding and the U.S. holder may be subject to a US\$50 penalty imposed by the IRS.

Certain holders are not subject to these backup withholding and reporting requirements. Non-U.S. holders are generally exempt from these requirements but may be required to properly complete the appropriate IRS Form W-8 to establish such exemption. Such form can be obtained from the Depository. Exempt holders, other than non-U.S. holders, should furnish their TIN, indicate that they are exempt in Part II(2) of the Substitute Form W-9 and sign, date and return the Substitute Form W-9 to the Depository. Holders are urged to consult their own tax advisors to determine the application of these backup withholding and information reporting requirements to them.

If backup withholding applies, the Depository is required to withhold tax at the applicable withholding rate (which is currently 28%) on any reportable payments paid to such holder pursuant to the Tender Offer. Backup withholding is not an additional U.S. federal income tax. Rather, if the required information is furnished to the IRS in a timely manner, the U.S. federal income tax liability of persons subject to backup withholding will be reduced by the amount of tax withheld. If withholding results in an overpayment of taxes, a credit or refund may be obtained pursuant to IRS procedures.

WHAT NUMBER TO GIVE THE DEPOSITARY

The U.S. holder is required to give the Depository such holder's TIN (e.g. social security number or employer identification number). If the surrendering holder has not been issued a TIN and has applied for a TIN or intends to apply for a TIN in the near future, such holder should so indicate where appropriate in Part II, and sign and date the Substitute Form W-9. The Depository will withhold on all payments made prior to the time a properly certified TIN is provided to it. A U.S. holder who is applying for a TIN should furnish the Depository with such holder's TIN as soon as it is received.

SUBSTITUTE Form W-9	Request for Taxpayer Identification Number and Certification	
Name (as shown on your income tax return):		
Business Name, if different from above:		
Check appropriate box: <input type="checkbox"/> Individual/Sole Proprietor <input type="checkbox"/> Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Other _____		<input type="checkbox"/> Exempt from backup withholding
Address (number, street, and apt. or suite no.):		
City, state, and ZIP code:		
List account number(s) here (optional):		
Part I—Taxpayer Identification Number (TIN)		
<p>Enter your TIN in the appropriate box. The TIN provided must match the name given on Line 1 to avoid backup withholding. For individuals, this is your social security number. However, for a resident alien, sole proprietor, or disregarded entity, see the Part I instructions below. For other entities, it is your employer identification number (EIN). If you do not have a TIN, see "How to Obtain a TIN" in the enclosed <i>Guidelines</i>.</p> <p>Note: If the account is in more than one name, see the enclosed <i>Guidelines</i> to determine what number to enter.</p>		_____ <i>Social Security Number</i> OR _____ <i>Employer Identification Number</i>
Part II—Certification		
<p>Under penalties of perjury, I certify that:</p> <p>(1) The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and</p> <p>(2) I am not subject to backup withholding either because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service ("IRS") that I am subject to backup withholding as a result of failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and</p> <p>(3) I am a U.S. person (including a U.S. resident alien).</p> <p>Certificate instructions—You must cross out item (2) in Part 2 above if you have been notified by the IRS that you are subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally payments other than interest and dividends, you are required to sign the Certification, but you must provide your correct TIN. See the instructions below.</p>		
Sign Here	Signature of U.S. person	Date

Guidelines for Certification of Taxpayer Identification Number on Substitute Form W-9

Purpose of Form

A person who is required to file an information return with the IRS, must obtain your correct taxpayer identification number (TIN) to report, for example, income paid to you, real estate transactions, mortgage interest you paid, acquisition or abandonment of secured property, cancellation of debt, or contributions you made to an IRA.

U.S. person. Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN to the person requesting it (the requester) and, when applicable, to:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee.

In 3 above, if applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income.

Note. If a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if its is substantially similar to this Form W-9.

For federal tax purposes, you are considered a person if you are:

- An individual who is a citizen or resident of the United States,
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States, or
- Any estate (other than a foreign estate) or trust. See Regulations sections 301.7701-6(a) and 7(a) for additional information.

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax on any foreign partners' share of income from such business. Further, in certain case where a Form W-9 has not been received, a partnership is required to presume that a partner is a foreign person, and pay the withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid withholding on your share of partnership income.

The person who gives Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States is in the following cases:

- The U.S. owner of a disregarded entity and not the entity,
- The U.S. grantor or other owner of a grantor trust and not the trust, and
- The U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person, do not use Form W-9. Instead, use the appropriate Form W-8 (see Publication 515, Withholding of Tax on Nonresident Aliens and Foreign Entities).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the recipient has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items:

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to

continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity not subject to backup withholding, give the requester the appropriate completed Form W-8.

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 28% of such payments (after December 31, 2002). This is called “backup withholding.” Payments that may be subject to backup withholding include interest, dividends, broker and barter exchange transactions, rents, royalties, non-employee pay, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payment you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the Part II instructions below for details).
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See the instructions below and the separate Instructions for the Requester of Form W-9.

Also see *Special rules regarding partnerships* above.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certification or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Name

If you are an individual, you must generally enter the name shown on your income tax return. However, if you have changed your last name, for instance, due to marriage without informing the Social Security Administration of the name change, enter your first name, the last name shown on your social security card, and your new last name.

If the account is in joint names, list first, and then circle, the name of the person or entity whose number you entered in Part I of the form.

Sole proprietor. Enter your individual name as shown on your income tax return on the “Name” line. You may enter your business, trade, or “doing business as (DBA)” name on the “Business name” line.

Limited liability company (LLC). If you are a single-member LLC (including a foreign LLC with a domestic owner) that is disregarded as an entity separate from its owner under Treasury regulations section 301.7701-3, enter the owner’s name on the “Name” line. Enter the LLC’s name on the “Business name” line. Check the appropriate box for your filing status (sole proprietor, corporation, etc.), then check the box for “Other” and enter “LLC” in the space provided.

Other entities. Enter your business name as shown on required federal tax documents on the “Name” line. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on the “Business name” line.

Note. You are requested to check the appropriate box for your status (individual/sole proprietor, corporation, etc.).

Exempt From Backup Withholding

If you are exempt, enter your name as described above and check the appropriate box for your status, then check the “Exempt from backup withholding” box in the line following the business name, sign and date the form.

Generally, individuals (including sole proprietors) are not exempt from backup withholding. Corporations are exempt from backup withholding for certain payments, such as interest and dividends.

Note. If you are exempt from backup withholding, you should still complete this form to avoid possible erroneous backup withholding.

Exempt payees. Backup withholding is not required on any payments made to the following payees:

1. An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2),
2. The United States or any of its agencies or instrumentalities,
3. A state, the District of Columbia, a possession of the United States, or any of their political subdivisions or instrumentalities,
4. A foreign government or any of its political subdivisions, agencies, or instrumentalities, or
5. An international organization or any of its agencies or instrumentalities.

Other payees that may be exempt from backup withholding include:

6. A corporation,
7. A foreign central bank of issue,
8. A dealer in securities or commodities required to register in the United States, the District of Columbia, or a possession of the United States,
9. A futures commission merchant registered with the Commodity Futures Trading Commission,
10. A real estate investment trust,
11. An entity registered at all times during the tax year under the Investment Company Act of 1940,
12. A common trust fund operated by a bank under section 584(a),
13. A financial institution,
14. A middleman known in the investment community as a nominee or custodian, or
15. A trust exempt from tax under section 664 or described in section 4947.

The chart below shows types of payments that may be exempt from backup withholding. The chart applies to the exempt recipients listed above, 1 through 15.

IF the payment is for...	THEN the payment is exempt for...
Interest and dividend payments	All exempt recipients except for 9

Broker transactions	Exempt recipients 1 through 13. Also, a person registered under the Investment Advisers Act of 1940 who regularly acts as a broker
Barter exchange transactions and patronage dividends	Exempt recipients 1 through 5
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt recipients 1 through 7 ²

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation (including gross proceeds paid to an attorney under section 6045(f), even if the attorney is a corporation) and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees; and payments for services paid by a federal executive agency.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, the IRS prefers that you see your SSN.

If you are a single-owner LLC that is disregarded as an entity separate from its owner (see *Limited liability company (LLC)* above), enter your SSN (or EIN, if you have one). If the LLC is a corporation, partnership, etc., enter the entity's EIN.

Note. See the chart below for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local Social Security Administration office or get this form online at www.socialsecurity.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/businesses and clicking on Employer ID Numbers under Related Topics. You can get Forms W-7 and SS-4 from the IRS by visiting www.irs.gov or by calling 1-800-TAX-FORM (1-800-829-3676).

If you are asked to complete Form W-9 but do not have a TIN, write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note. Writing "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: *A disregarded domestic entity that has a foreign owner must use the appropriate Form W-8.*

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if items 1, 4, and 5 below indicate otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). Exempt recipients, see *Exempt From Backup Withholding* above.

Signature requirements. Complete the certification as indicated in 1 through 5 below.

- 1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983.** You must give your correct TIN, but you do not have to sign the certification.
- 2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983.** You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.
- 3. Real estate transactions.** You must sign the certification. You may cross out item 2 of the certification.
- 4. Other payments.** You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number to Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account)	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Custodian account of a minor (Uniform Gift to Minors Act)	The minor ²
4. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
5. Sole proprietorship or single-owner LLC	The owner ³
For this type of account:	Give name and EIN of:
6. Sole proprietorship or single-owner LLC	The owner ³
7. A valid trust, estate, or pension trust	Legal entity ⁴
8. Corporate or LLC electing corporate status on Form 8832	The corporation
9. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
10. Partnership or multi-member LLC	The partnership
11. A broker or registered nominee	The broker or nominee
12. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity

enter your business or "DBA" name on the second name line. You may use either you SSN or EIN (if you have one). If you are a sole proprietor, IRS encourages you to use your SSN.

⁴ List first and circle the name of the legal trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules regarding partnerships* above.

Note. If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also

Any questions regarding procedures for tendering Notes or requests for additional copies of the Offer to Purchase or this Letter of Transmittal should be directed to the Information Agent at the address and telephone numbers set forth below.

The Information Agent for the Tender Offer is:

GLOBAL BONDHOLDER SERVICES CORPORATION

65 Broadway – Suite 723
New York, New York 10006
USA
Attn: Corporate Actions

Bankers and Brokers call: (212) 430-3774
Toll Free: (866) 804-2200

Any questions about the Tender Offer or procedures for accepting the Tender Offer may be directed to the Dealer Managers. You may also contact your broker, dealer, commercial bank or trust company for assistance concerning the Tender Offer.

The Dealer Managers for the Tender Offer are:

Banc of America Securities LLC
One Bryant Park, 10th Floor
New York, NY 10036
Attn: Liability Management Group
Collect: (646) 855-3401
U.S. Toll Free: (888) 292-0070

Planner Securities LLC
150 E. 52nd Street, 7th Floor
New York, NY 10022
Attn: Paul Baessler
Collect: (646) 381-7001