



Rede Energia S.A.
Announces Modified Dutch Auction Tender Offer
for
11.125% Perpetual Notes of Rede

São Paulo, Brazil June 1, 2009 – Rede Energia S.A., a Brazilian electricity holding company (“Rede”), announced today that it has commenced a cash tender offer (the “Tender Offer”) to purchase the maximum aggregate principal amount of its outstanding 11.125% Perpetual Notes (CUSIP No. 75734PAA7 and ISIN No. USP8001VAD84) (the “Notes”) that it 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 to be determined in accordance with a modified “Dutch Auction” procedure, on the terms and subject to the conditions set forth in its Offer to Purchase dated June 1, 2009 (the “Offer to Purchase”) and the related Letter of Transmittal (the “Letter of Transmittal,” and together with the Offer to Purchase, the “Offer Documents”).

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 (such time and date, as the same may be extended, the “Expiration Date”). No tenders will be valid if submitted after 12:00 midnight, New York City time, on the Expiration Date. Registered holders of the Notes (the “Holders”) who validly tender and do not properly withdraw their Notes prior to 5:00 p.m., New York City time, on Friday, June 12, 2009, unless extended by Rede (such time and date, as the same may be extended, the “Early Tender Date”) will be eligible to receive the Total Consideration (as defined below), subject to the terms and conditions of the Tender Offer. Holders who validly tender and do not properly withdraw their Notes after 5:00 p.m., New York City time, on the Early Tender Date and prior to 12:00 midnight, New York City time, on the Expiration Date will be eligible to receive only the Tender Offer Consideration (as defined below), and will not be eligible to receive the Early Tender Payment (as defined below), subject to the terms and conditions of the Tender Offer. In addition to the Total Consideration or Tender Offer Consideration, as applicable, Holders whose Notes are purchased will also receive accrued and unpaid interest on the Notes from the last interest payment date preceding the Settlement Date (as defined below) to, but not including, the Settlement Date (the “Accrued Interest”).

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, through the SISBACEN system at 7:00 p.m., Brasília time, on the business day prior to the Early Tender Date. 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 per US\$1,000 principal amount of Notes validly tendered and accepted for purchase by Rede will be determined based on a formula consisting of a “base” price of US\$450 per US\$1,000 principal amount of Notes (the “Base Price,” which includes the “Early Tender Payment” of US\$50 per US\$1,000 principal amount of Notes), plus a Clearing Premium (as defined below) not to exceed US\$80, to be determined pursuant to a modified Dutch Auction procedure. Holders of the Notes 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.

Holders electing to participate in the Tender Offer must specify the minimum total consideration that the holder is willing to receive in exchange for each US\$1,000 principal amount of Notes tendered (the

“Bid Price”), which includes the Early Tender Payment. The Bid Price specified by Holders 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. For each tender, Rede will determine the bid premium (the amount by which each Bid Price exceeds the Base Price) (the “Bid Premium”). The clearing premium with respect to the Notes (the “Clearing Premium”) will be the lowest single premium for all tenders such that Rede will be able to spend the Maximum Payment Amount by accepting all validly tendered Notes with Bid Premiums equal to or lower than such Clearing Premium. If the aggregate amount of Notes validly tendered (and not validly withdrawn) at or below the Clearing Premium would cause Rede to spend more than the Maximum Payment Amount, then holders of the Notes tendered at the Clearing Premium will be subject to proration as described in the Offer to Purchase.

Rede will pay the Total Consideration or Tender Offer Consideration, as the case may be, for the Notes accepted for purchase on the Expiration Date on such date (the “Settlement Date”) promptly following the Expiration Date. Also, on the Settlement Date, Rede will pay the Accrued Interest on the Notes accepted for purchase on the Expiration Date.

The Tender Offer is made upon the terms and subject to the conditions set forth in the Offer to Purchase and is subject to certain conditions, including, among others, the closing prior to the Expiration Date of an issuance of promissory notes as to which Rede 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. These conditions may be waived by Rede in its sole discretion. Further details about the terms and conditions of the Tender Offer are set forth in the Offer to Purchase.

Rede intends to use a portion of the proceeds of the issuance of a single series of promissory notes, in an aggregate principal amount equal to R\$320 million, to acquire the Notes that it accepts for purchase pursuant to the Tender Offer and to cover any related fees and expenses. The firm commitment relating to the issue of these promissory notes is subject to certain conditions precedent.

Rede has retained Banc of America Securities LLC and Planner Securities LLC to act as dealer managers in connection with the Tender Offer. Questions regarding the Tender Offer should be directed to Banc of America Securities LLC at (888) 292-0070 (toll free) or (646) 855-3401 (collect from outside the United States), or Planner Securities LLC at (646) 381-7001 (collect from outside the United States). Copies of the Offer to Purchase and the related Letter of Transmittal may be obtained from Global Bondholder Services Corporation, the information agent for the Tender Offer, at (866) 804-2200 (toll free).

This announcement is for informational purposes only and is neither an offer to purchase nor a solicitation of an offer to sell the Notes. The Tender Offer is only being made pursuant to the Offer to Purchase and the related Letter of Transmittal. The Tender Offer is not being made to holders of Notes in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. 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. 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 that the Tender Offer or the distribution of the Offer Documents be made by a licensed broker or dealer.

About Rede Energia S.A.

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.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains statements that are forward-looking within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Forward-looking statements are only predictions and are not guarantees of future performance. Investors are cautioned that any such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to Rede that may cause the actual results to be materially different from any future results expressed or implied in such forward-looking statements.

Although Rede believes that the expectations and assumptions reflected in the forward-looking statements are reasonable based on information currently available to the management of Rede, Rede cannot guarantee future results or events. Rede expressly disclaims a duty to update any of the forward-looking statements.

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