



COMPANHIA PARANAENSE DE ENERGIA - COPEL
Corporate Taxpayers' ID 76.483.817/0001-20
Publicly-held Company - CVM Register 1431-1

RELEVANT NOTICE

COMPANHIA PARANAENSE DE ENERGIA – COPEL, REACHED AN AGREEMENT WITH PETROBRAS REGARDING PENDING MATTERS RELATED TO THE GAS CONTRACT OF THERMOELECTRIC PLANT OF ARAUCÁRIA TERMINATED ON MAY 31, 2005.

PETROBRAS' executive office authorized the celebration of an agreement with Companhia Paranaense de Gás - Compagas, Companhia Paranaense de Energia – Copel and Copel Geração S.A. (Copel's fully owned subsidiary), regarding the thermoelectric plant of Araucária, with the signature of an Out-of-Court Transaction Settlement, an Instrument of Acknowledgment of Quote Transferring and a Memorandum of Intent.

The Out-of-Court Transaction Settlement aims to settle Compagas' debt with Petrobras, which is guaranteed by Copel, due to a gas supply contract, with "take or pay" and "ship or pay" articles, which was terminated on May 31, 2005. At that time, the nominal debt, not recognized by Copel, amounted to R\$266.4 million for "ship or pay" and R\$140.1 million for "take or pay", being this last one recoverable as future gas supply.

By the agreement to be celebrated, Copel Geração, having Copel as guarantor, acknowledges the R\$ 150 million debt with Petrobras, to be paid in 60 monthly instalments as from January 2010, readjusted by the Selic Rate (or any other rate that may substitute the Selic). As guarantee, Copel Geração S/A and Copel offer its respective receivables.

In the Instrument of Acknowledgment, Petrobras informs that has no objections of any kind to the acquisition of El Paso quotes in UEGA by Copel.

By the Memorandum of Intent, Petrobras will exert their best efforts to attend UEGA's operation fuel supply necessity, as from 2010, such fuel can be natural gas or any other alternative energizer.

The agreement settles, amicably, the existing conflicts regarding gas supply of the thermoelectric plant of Araucária, which was terminated on May 31st, 2005.

Curitiba, February 24, 2006

PAULO ROBERTO TROMPCZYNSKI
Chief Finance and Investor Relations Officer

ACÇÃO NOSSAS AÇÕES
SÃO NEGOCIADAS
NAS BOLSAS DE VALORES



abrasca
companhia associada



ELP
LISTED
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