

NOTICE TO NOTEHOLDERS

7 December 2016

GAS NETWORKS IRELAND

**Series 2012-1 EUR 500,000,000 3.625 per cent Notes due 4 December 2017
originally issued by Ervia (then known as Bord Gáis Éireann)
and assumed with effect from 1 August 2015 by Gas Networks Ireland
(the "Notes")
(ISIN: XS0858803066)**

NOTICE IS HEREBY GIVEN that Gas Networks Ireland intends to issue a notice on 12 December 2016 notifying Noteholders that, in accordance with Condition 7.3 (*Redemption at the option of the Issuer (Issuer Call)*) of the terms and conditions of the Notes (the "**Conditions**") (as supplemented by Paragraph 20 of the Final Terms), it will exercise its option to redeem in full all of the outstanding Notes on 29 December 2016 (the "**Optional Redemption Date**") at the Optional Redemption Amount, together with accrued interest up to, but excluding, the Optional Redemption Date.

For the purposes of calculating the Optional Redemption Amount in accordance with the Final Terms, today 7 December 2016 shall be the Reference Date (as defined in Paragraph 20 of the Final Terms).

Terms used but not defined in this notice shall have the meanings given to them in the Conditions.

For and on behalf of

GAS NETWORKS IRELAND