

FINAL TERMS

1 December 2016

GAS NETWORKS IRELAND**Issue of EUR125,000,000 2.250 per cent. Notes due 5 December 2036****under the EUR1,500,000,000
Euro Medium Term Note Programme****PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 16 November 2016 which constitutes a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the Irish Stock Exchange at www.ise.ie.

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| 1. | Issuer: | Gas Networks Ireland |
| 2. | (a) Series Number: | 2 |
| | (b) Tranche Number: | 1 |
| | (c) Date on which the Notes will be consolidated and form a single Series: | Not Applicable |
| 3. | Specified Currency or Currencies: | Euro (“EUR”) |
| 4. | Aggregate Nominal Amount: | |
| | (a) Series: | EUR125,000,000 |
| | (b) Tranche: | EUR125,000,000 |
| 5. | Issue Price: | 99.206 per cent. of the Aggregate Nominal Amount |
| 6. | (a) Specified Denominations: | EUR100,000 and integral multiples of EUR1,000 in excess thereof up to and including EUR199,000. No Notes in definitive form will be issued with a denomination above EUR199,000. |
| | (b) Calculation Amount: | EUR1,000 |
| 7. | (a) Issue Date: | 5 December 2016 |
| | (b) Interest Commencement Date: | Issue Date |
| 8. | Maturity Date: | 5 December 2036 |

9.	Interest Basis:	2.250 per cent. Fixed Rate (further particulars specified below)
10.	Redemption Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100.00 per cent. of their nominal amount
11.	Change of Interest Basis:	Not Applicable
12.	Put/Call Options:	Issuer Call Issuer Par Call (further particulars specified below)
13.	(a) Status of the Notes:	Senior
	(b) Date Board approval for issuance of Notes obtained:	26 September 2016 and 6 October 2016

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14.	Fixed Rate Note Provisions	Applicable
	(a) Rate(s) of Interest:	2.250 per cent. per annum payable in arrear on each Interest Payment Date
	(b) Interest Payment Date(s):	5 December in each year from and including 5 December 2017 up to and including the Maturity Date
	(c) Fixed Coupon Amount(s): <i>(Applicable to Notes in definitive form.)</i>	EUR22.50 per Calculation Amount
	(d) Broken Amount(s): <i>(Applicable to Notes in definitive form.)</i>	Not Applicable
	(e) Day Count Fraction:	Actual/Actual (ICMA)
	(f) Determination Date(s):	5 December in each year
15.	Floating Rate Note Provisions	Not Applicable
16.	Zero Coupon Note Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

17.	Notice periods for Condition 6.2 (<i>Redemption and Purchase – Redemption for tax reasons</i>):	Minimum period: 30 days Maximum period: 60 days
18.	Issuer Call:	Applicable

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| (a) | Optional Redemption Date(s): | Any date prior to but excluding the day that is three months prior to the Maturity Date |
| (b) | Optional Redemption Amount : | Make Whole Optional Redemption Amount |
| | (A) Reference Bond: | DBR 4.75 per cent. due 4 July 2034 (ISIN: DE0001135226) |
| | (B) Redemption Margin: | 0.30 per cent. |
| | (C) Quotation Time: | 11.00 a.m. (Central European time) |
| (c) | If redeemable in part: | Not Applicable |
| (d) | Notice period: | Minimum period: 15 days
Maximum period: 30 days |
19. Issuer Par Call: Applicable
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| (a) | Issuer Par Call Date: | Any date on or after the day that is three months prior to the Maturity Date to but excluding the Maturity Date |
| (b) | If redeemable in part: | Not Applicable |
| (c) | Notice period: | Minimum period: 15 days
Maximum period: 30 days |
20. Investor Put: Not Applicable
21. Final Redemption Amount: EUR1,000 per Calculation Amount
22. Early Redemption Amount payable on redemption for tax reasons or on an event of default: EUR1,000 per Calculation Amount

GENERAL PROVISIONS APPLICABLE TO THE NOTES

23. Form of Notes:
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| (a) | Form: | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes only upon an Exchange Event |
| (b) | New Global Note: | Yes |
24. Additional Financial Centre(s): Not Applicable
25. Talons for future Coupons to be attached to Definitive Notes: No

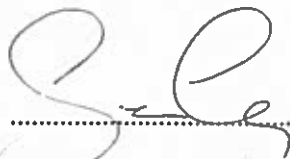
Signed on behalf of the Issuer:

By:



Duly authorised

By:



Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

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| (i) | Listing and Admission to trading: | Application has been made to the Irish Stock Exchange for the Notes to be admitted to the Official List and to trading on its regulated market with effect from 5 December 2016. |
| (ii) | Estimate of total expenses related to admission to trading: | EUR600 |

2. RATINGS

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| Ratings: | The Notes to be issued have been rated:

Moody's Investors Service Limited (Moody's): A3

Standard & Poor's Credit Market Services Europe Limited (S&P): A

Each of Moody's and S&P is established in the European Union and is registered under Regulation (EC) No. 1060/2009 (as amended) (the CRA Regulation). |
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3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save for any fees payable to the Managers, so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.

4. YIELD (*Fixed Rate Notes only*)

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| Indication of yield: | 2.300 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |
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5. OPERATIONAL INFORMATION

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| (i) | ISIN: | XS1529684349 |
| (ii) | Common Code: | 152968434 |
| (iii) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | Not Applicable |
| (iv) | Delivery: | Delivery against payment |
| (v) | Names and addresses of | Not Applicable |

additional Paying Agent(s) (if any):

- (vi) Intended to be held in a manner which would allow Eurosystem eligibility: Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.

6. DISTRIBUTION

- (i) Method of distribution: Syndicated
- (ii) If syndicated, names of Managers: *Joint Active Bookrunners*
Barclays Bank PLC
BNP Paribas
HSBC Bank plc

Joint Passive Bookrunners
Danske Bank A/S
RBC Europe Limited
The Royal Bank of Scotland plc
- (iii) Date of Subscription Agreement: 1 December 2016
- (iv) Stabilisation Manager(s) (if any) Not Applicable
- (v) If non-syndicated, name of relevant Dealer: Not Applicable
- (vi) U.S. Selling Restrictions: Reg. S Compliance Category 2; TEFRA D