

SUPPLEMENTARY PROSPECTUS DATED 14 JANUARY 2015

NET4GAS, s.r.o.

(incorporated with limited liability under the laws of the Czech Republic)

€5,000,000,000

Euro Medium Term Note Programme

This Supplement (the “**Supplement**”), to the Base Prospectus (the “**Base Prospectus**”) dated 9 July 2014 which comprises a base prospectus, constitutes a supplementary prospectus for the purposes of the Prospectus Directive and is prepared in connection with the €5,000,000,000 Euro Medium Term Note Programme (the “**Programme**”) established by Net4Gas, s.r.o. (the “**Issuer**”). This Supplement has been approved by the Central Bank of Ireland (the “**Central Bank**”), as competent authority under the Prospectus Directive. The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive.

Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Supplement. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement and (b) any other statement in or incorporated by reference in the Base Prospectus, the statements in (a) above will prevail.

The purpose of this Supplement is to update the risk factors, the business description of the Issuer and the taxation sections, each as set out below.

RISK FACTORS

Upcoming developments in European and national regulation of the gas sector could give rise to additional expenditure for the Issuer.

On page 14 of the Base Prospectus, the sentence in the fourth paragraph (“At a national level, there are currently discussions being held in the Czech Republic between the ERO and stakeholders on the new regulatory period (the “**fourth regulatory period**”) which is expected to commence from 2015 or (if the ERO extends the current regulatory period by another year) 2016.”) shall be replaced with the following sentence: “At a national level, there are currently discussions being held in the Czech Republic between the ERO and stakeholders on the new regulatory period (the “**fourth regulatory period**”) which is expected to commence from 2016.”

On pages 14 and 15 of the Base Prospectus, the sentence in the last paragraph of page 14 and continuing to page 15 (“However, as at the date of this Base Prospectus, it is not clear whether the ERO’s proposal in its current form will be implemented, given the number of suggestions for amendment submitted by a large number of stakeholders during the ERO’s consultation on the regulatory determination in February 2014 and the commenting process related to the draft of the respective regulatory decree in May and June 2014.”) shall be replaced with the following sentence: “However, as at the date of this Base Prospectus, it is not clear whether the ERO’s proposal in its current form will be

implemented, given the number of suggestions for amendment expected to be submitted by a large number of stakeholders during the ERO's consultation on the latest draft of the proposed methodology for the fourth regulatory period for the electricity and gas industries, which was published in December 2014 for consultation until the end of January 2015".

Risks related to operating activities.

The Issuer's infrastructure investments could be subject to delays.

On page 17 of the Base Prospectus, the sentence in the second paragraph ("A positive decision has been received on the investment request for cross-border cost allocation which was submitted by the Issuer and the Polish TSO (GAZ-SYSTEM S.A.) to the ERO and the Polish regulator (URE) in line with the Regulation of the European Parliament and the Council No. 347/2013/EU on guidelines for trans-European energy infrastructure.") shall be replaced with the following sentence: "A positive decision has been received on the investment request for cross-border cost allocation which was submitted by the Issuer and the Polish TSO (GAZ-SYSTEM S.A.) to the ERO and the Polish regulator (URE) in line with the Regulation of the European Parliament and the Council No. 347/2013/EU on guidelines for trans-European energy infrastructure, however the Issuer is considering taking further legal steps to have the ERO's decision amended in order to include further provisions to ensure an improved level of certainty of return on the Issuer's investment in this project."

The Issuer's results of operations may be adversely affected by the development of alternative gas transmission routes.

On page 17 of the Base Prospectus, the sentence in the third paragraph ("While these projects are in planning phases, depending on which parts of the projects are implemented, where the pipelines are connected to the existing grid and how supply and demand patters in Europe develop, the Issuer would face competition.") shall be replaced with the following sentence: "While these projects are in planning phases (and their implementation in general is uncertain due to the current geopolitical situation), the Issuer could face competition depending on which parts of the projects are implemented, where the pipelines are connected to the existing grid and how supply and demand patterns in Europe develop."

Risks related to the ERO's wide scope of competence

On page 19 of the Base Prospectus, the following new paragraph shall be added after the existing text in this section: "The ERO, which has an ongoing supervisory role, among other things, in relation to the financial position of a TSO, has been requesting financial information from the Issuer, in particular relating to its capital structure, in order to perform a review of the Issuer's financial position following the recapitalisation of its balance sheet in 2014. The Issuer has no concerns about its financial position based on the performance of the business and the amount and maturity profile of its indebtedness (in addition, please see the section entitled "Ratings" on page 10 of this Base Prospectus for the credit ratings of the Issuer)."

Litigation and regulatory proceedings.

On page 19 of the Base Prospectus, the second paragraph beginning with "There are currently four administrative proceedings pending..." shall be replaced in its entirety with the following paragraph: "There are currently three administrative court proceedings (before the Regional Court in Pilsen) pending regarding the issuance of the relevant permits for the construction of Gazelle Pipeline. The claimants have been so far unsuccessful before the relevant competent administrative authorities at first instance (being the Czech Ministry of Industry and Trade and the Czech Ministry of Regional Development). Despite the pending proceedings, the Issuer is, however, of the view that it has met all applicable requirements for obtaining the necessary permits and that there is no reason for these permits to be successfully challenged. The competent administrative authorities (the Czech Ministry of Industry and Trade and the Czech Ministry of Regional Development) also shared this view in their first instance

decisions. However, there is a risk that the administrative courts (the Regional Court in Pilsen (the present instance) or, if a further appeal is made thereafter, the Supreme Administrative Court) may take a differing view and may rule that the permits have not been validly obtained.”

DESCRIPTION OF THE ISSUER

2.2.5 Tariffs for Using the Gas Transmission Network

On page 68 of the Base Prospectus, in section 2.2.5(b), the sentence in the first paragraph (“The current regulatory period is expected to end this year or (if the ERO extends the current regulatory period by another year) in 2015, with the fourth regulatory period planned for 2015 to 2019 (inclusive) or (if the ERO extends the current regulatory period by another year) 2016-2020 (inclusive).”) shall be replaced with the following sentence: “The current regulatory period has been extended by the ERO by another year and is now expected to end in 2015, with the fourth regulatory period planned for the period from 2016 to 2018 (inclusive), based on the ERO’s latest draft of the regulatory methodology for the fourth regulatory period for the electricity and gas industries (published in December 2014 for consultation).”

2.2.10 Infrastructure Investments and Capital Expenditures

On page 70 of the Base Prospectus, in section 2.2.10, the sentence in the first bullet point (“Investment requests for cross-border cost allocation were submitted by the Issuer and the Polish TSO (GAZ-SYSTEM S.A.) to the ERO and the Polish regulator (URE) in line with the Regulation of the European Parliament and the Council No. 347/2013/EU on guidelines for trans-European energy infrastructure and have been approved.”) shall be replaced with the following sentence: “Investment requests for cross-border cost allocation were submitted by the Issuer and the Polish TSO (GAZ-SYSTEM S.A.) to the ERO and the Polish regulator (URE) in line with the Regulation of the European Parliament and the Council No. 347/2013/EU on guidelines for trans-European energy infrastructure and have been approved, however, the Issuer is considering taking further legal steps to have the ERO’s decision amended in order to include further provisions to ensure an improved level of certainty of return on the Issuer’s investment in this project”.

TAXATION

Capital Gains

On page 82 of the Base prospectus, the sentence in the fourth paragraph (“Income realised by a Czech Holder or a Non-Czech Holder, who is an individual, from the sale of the Notes is exempt from Czech personal income tax provided that the holding period of the Notes exceeded three years and the Notes have not been held as part of business property of such individual, or, if so, the Notes will not be sold prior to the expiry of a three year period following the termination of that individual’s business activities.”) shall be replaced by the following sentence: “Income realised by a Czech Holder or a Non-Czech Holder, who is an individual, from the sale of the Notes is exempt from Czech personal income tax if the annual (worldwide) income of that individual from the sale of securities (including the Notes) does not exceed the amount of CZK 100,000. Income over that threshold is only exempt from taxation, if the holding period of the Notes exceeded three years and the Notes have not been held as part of business property of such individual, or, if so, the Notes will not be sold prior to the expiry of a three-year period following the termination of that individual’s business activities.”

On page 82 of the Base prospectus, the sentence in the fourth paragraph “Furthermore, income from the sale of the Notes realized by an individual is exempt from taxation, if the annual (worldwide) income of that individual from the sale of securities (including the Notes) does not exceed the amount of CZK 100,000.” and replaced with the following sentence “From 2015, a Czech Holder or a Non-Czech Holder, who is an individual, is obliged to notify tax authorities of tax-exempt income exceeding CZK 5 million.”