

Final Terms dated 19 December 2012

NATIONAL GRID GAS PLC

Issue of HKD 300,000,000 3.05 per cent. Instruments due 21 December 2027
under the Euro 10,000,000,000 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 Prospectus dated 22 February 2012 which constitute (i) a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "**Prospectus Directive**") and (ii) listing particulars for the purposes of Listing Rule 2.2.11 of the Listing Rules of the Financial Services Authority (the "**Listing Rules**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive must be read in conjunction with such Prospectus. Full information on the Issuer and the offer of the Instruments is only available on the basis of the combination of these Final Terms and the Prospectus. The Prospectus is available for viewing at, and copies may be obtained from, the registered address of the Issuer at 1-3 Strand, London WC2N 5EH and the office of the Issuing and Paying Agent at One Canada Square, London E14 5AL and are available for viewing on the website of Regulatory News Services operated by the London Stock Exchange at www.londonstockexchange.com/exchange/prices-and-news/news/market-news/market-news-home.html.

1	Issuer:	National Grid Gas plc
2	(i) Series Number:	77
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Hong Kong Dollar ("HKD")
4	Aggregate Nominal Amount:	
	(i) Series:	HKD 300,000,000
	(ii) Tranche:	HKD 300,000,000
5	Issue Price:	100.00 per cent of the Aggregate Nominal Amount
6	Specified Denominations:	HKD 2,000,000
	Calculation Amount:	HKD 2,000,000
7	(i) Issue Date:	21 December 2012
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	21 December 2027
9	Interest Basis:	3.05 per cent. Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Put/Call Options:	Not Applicable
13	Status of the Instruments:	Senior
14	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Instrument Provisions	Applicable
	(i) Rate of Interest:	3.05 per cent. per annum payable quarterly in arrear

(ii)	Interest Payment Date(s):	21 March, 21 June, 21 September and 21 December in each year commencing on 21 March 2013 and ending on the Maturity Date, subject to the Modified Following Business Day Convention
(iii)	Fixed Coupon Amount(s):	Not Applicable
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction (Condition 3.2.4(i)):	Actual/365 (Fixed) adjusted
(vi)	Determination Dates (Condition 3.2.4(i)):	Not Applicable
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Instruments:	Not Applicable
16	Floating Rate Instrument Provisions	Not Applicable
17	Zero Coupon Instrument Provisions	Not Applicable
18	Index Linked Interest Instrument	Not Applicable
19	Dual Currency Instrument Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

20	Residual Holding Call Option	Not Applicable
21	Call Option	Not Applicable
22	Put Option	Not Applicable
23	Final Redemption Amount of each Instrument	HKD 2,000,000 per Calculation Amount
24	Early Redemption Amount	
(i)	Early Redemption Amount(s) of each Instrument payable on redemption for taxation reasons (Condition 5.2) or on Event of Default (Condition 9) or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	As set out in the Conditions
(ii)	Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5.2):	Yes
(iii)	Unmatured Coupons to become void upon early redemption (Condition 6.5):	Yes

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

25	Form of Instruments:	Bearer Instruments:
		Temporary Global Instrument exchangeable for a permanent Global Instrument which is exchangeable for Definitive Instruments in the limited circumstances specified in the Permanent Global Instrument
	New Global Note intended to be held in a manner which would allow Eurosystem eligibility:	No
26	Financial Centre(s) or other special provisions relating to Payment Dates (Condition 6.6):	Hong Kong, London and New York
27	Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature):	Yes
28	Details relating to Partly Paid Instruments: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer[or the Guarantor] to forfeit the Instruments and interest due on late payment:	Not Applicable
29	Details relating to Instalment Instruments:	Not Applicable
30	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31	Other final terms:	Not Applicable

DISTRIBUTION

32	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager(s) (if any):	Not Applicable
33	If non-syndicated, name of Dealer:	Hongkong and Shanghai Banking Corporation Limited
34	U.S Selling Restrictions	Reg. S Compliance Category 2; TEFRA D
35	Additional selling restrictions:	Hong Kong The Dealer represents and agrees or will represent and agree that: (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Instruments except for Instruments which are a "structured product" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong other than (a) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance; or (b) in other

circumstances which do not result in the document being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Instruments, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Instruments which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

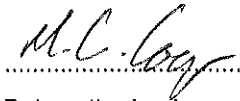
PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange of the Instruments described herein pursuant to the Euro Medium Term Note Programme of National Grid Gas plc and National Grid Gas Finance (No 1) plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: 

Duly authorised

PART B – OTHER INFORMATION

1 LISTING

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| (i) Listing: | London |
| (ii) Admission to trading: | Application has been made by the Issuer (or on its behalf) for the Instruments to be admitted to trading on the London Stock Exchange plc's Regulated Market with effect from 21 December 2012. |
| (iii) Estimate of total expenses related to admission to trading: | GBP 300 |

2 RATINGS

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| Ratings: | Long term senior debt of the issuer has been rated:
Standard & Poor's: A- (Stable)
Moody's: A3 (Stable)
Fitch: A (Stable)
The Instruments have not been specifically rated. |
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3 INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the Instruments has an interest material to the offer.

4 REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

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| (i) Reasons for the offer: | See 'Use of Proceeds' wording in the Base Prospectus |
| (ii) Estimated net proceeds: | Not Applicable |
| (iii) Estimated total expenses: | Not Applicable |

5 YIELD

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| Indication of yield: | 3.05 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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6 PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Not Applicable

7 PERFORMANCE OF RATES OF EXCHANGE

Not Applicable

8 OPERATIONAL INFORMATION

ISIN Code:	XS0868855064
Common Code:	086885506
Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, <i>société anonyme</i> and the identification number(s):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of initial Paying Agent(s):	The Bank of New York Mellon, One Canada Square, London E14 5AL
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable

9 GENERAL

The aggregate principal amount of Instruments issued has been translated into Euro at the rate of EUR 1 = HKD 10.1500, producing a sum of (for Instruments not denominated in euro):	EUR 29,556,650.25
Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11.1:	Not Applicable