

Final Terms dated 15 January 2009

NATIONAL GRID GAS PLC

Issue of GBP 11,000,000 6.00 per cent. Instruments due May 2038
(the "Instruments")

(to be consolidated and form a single series with the GBP 300,000,000 6.00 per cent.
Instruments due May 2038 issued on 13 May 2008, the GBP 55,000,000 6.00 per cent.

Instruments due May 2038 issued on 8 July 2008, the GBP 24,000,000 6.00 per cent.

Instruments due May 2038 issued on 24 July 2008 and the GBP 30,000,000 6.00 per cent.

Instruments due May 2038 issued on 8 December 2008)

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 terms and conditions (the "Conditions") set forth in the Prospectus dated 26 February 2008. This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive") and must be read in conjunction with the Prospectus dated 26 February 2008 and the supplementary Prospectus dated 20 October 2008, which together constitute a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Prospectus dated 26 February 2008. 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 as so supplemented. The Prospectus and the supplementary prospectus are 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 is available for viewing on the website of the regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/en-gb/pricesnews/marketnews.

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| 1. | Issuer: | National Grid Gas plc |
| 2. | (i) Series Number: | 65 |
| | (ii) Tranche Number: | 5 |
| 3. | Specified Currency or Currencies: | Sterling ("GBP") |
| 4. | Aggregate Nominal Amount: | |
| | (i) Series: | GBP 420,000,000 |
| | (ii) Tranche: | GBP 11,000,000 (to be consolidated and form a single series with the GBP 300,000,000 6.00 per cent. Instruments due May 2038 issued on 13 May 2008, the GBP 55,000,000 6.00 per cent. Instruments due May 2038 issued on 8 July 2008 and the GBP 24,000,000 6.00 |

per cent. Instruments due May 2038 issued on 24 July 2008, the GBP 30,000,000 6.00 per cent. Instruments due May 2038 issued on 8 December 2008 on exchange of the temporary Global Instrument for the permanent Global Instrument (which is expected to be 40 days after the Issue Date subject to certification of non-U.S. beneficial ownership))

5. Issue Price: 89.738 per cent. of the Aggregate Nominal Amount plus 251 days accrued interest from and including 13 May 2008 to but excluding 19 January 2009
6. (i) Specified Denominations: GBP 50,000 and integral multiples of GBP 1,000 in excess thereof up to and including GBP 99,000. No Instruments in definitive form will be issued with a denomination above GBP 99,000.
- (ii) Calculation Amount: GBP 1,000
7. (i) Issue Date: 19 January 2009
- (ii) Interest Commencement Date: 13 May 2008
8. Maturity Date: 13 May 2038
9. Interest Basis: 6.00 per cent. per annum 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: 6.00 per cent. per annum payable annually

		in arrear
(ii)	Interest Payment Date(s):	13 May in each year commencing on 13 May 2009
(iii)	Fixed Coupon Amount(s):	GBP 60.00 per Calculation Amount
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction (Condition 3.2.4(i)):	Actual/Actual - ICMA
(vi)	Determination Dates (Condition 3.2.4(i)):	13 May in each year
(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.	Call Option	Not Applicable
21.	Put Option	Not Applicable
22.	Final Redemption Amount of each Instrument	GBP 1,000 per Calculation Amount
23.	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	As per the Conditions.

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

24. **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.

Upon issue of the temporary Global Instrument, the temporary ISIN and Common Code will be those set out in paragraphs 8(ii) and 8(iv), respectively, of Part B of these Final Terms.

Upon exchange of the temporary Global Instrument for the permanent Global Instrument, the Instruments will be consolidated and form a single series with the GBP 300,000,000 6.00 per cent. Instruments due May 2038 issued on 13 May 2008, the GBP 55,000,000 6.00 per cent. Instruments due May 2038 issued on 8 July 2008, the GBP 24,000,000 6.00 per cent. Instruments due May 2038 issued on 24 July 2008 and the GBP 30,000,000 6.00 per cent. Instruments due May 2038 issued on 8 December 2008 and the ISIN and Common Code will be those set out in paragraphs 8(i) and 8(iii), respectively, of Part B of these Final Terms.

New Global Note intended to be held in a manner which would allow Eurosystem eligibility: Not Applicable

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| 25. | Financial Centre(s) or other special provisions relating to Payment Dates (Condition 6.6): | London |
| 26. | Talons for future Coupons or Receipts to be attached to Definitive Instruments (and dates on which such Talons mature): | Yes. Talons will mature on 13 May 2033 |
| 27. | 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 to forfeit the Instruments and interest due on late payment: | Not Applicable |
| 28. | Details relating to Instalment Instruments: | Not Applicable |
| 29. | Redenomination, renominatisation and reconventioning provisions: | Not Applicable |
| 30. | Consolidation provisions: | Not Applicable |
| 31. | Other final terms: | Not Applicable |

DISTRIBUTION

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|-----|---------------------------------------|---------------------------------------|
| 32. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager(s) (if any): | Not Applicable |
| 33. | If non-syndicated, name of Dealer: | Royal Bank of Canada Europe Limited |
| 34. | U.S. Selling Restrictions: | Reg. S Compliance Category 2; TEFRA D |
| 35. | Additional selling restrictions: | Not Applicable |

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: *M. C. Coxy*.....
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

- (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 19 January 2009.
- (iii) Estimate of total expenses related to admission to trading: GBP 300

2. RATINGS

- Ratings: Long term senior debt of the Issuer has been rated:
- Standard & Poor's: A-
- Moody's: A3 (negative outlook)
- Fitch: A
- The Instruments have not been specifically rated.

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

Not Applicable

5. YIELD

- Indication of yield: 6.814 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.

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**

- (i) ISIN Code: XS0363511873
- (ii) Temporary ISIN Code: XS0408973484
- (iii) Common Code: 036351187
- (iv) Temporary Common Code: 040897348
- (v) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the identification number(s): Not Applicable
- (vi) Delivery: Delivery against payment
- (vii) Names and addresses of initial Paying Agent(s): The Bank of New York Mellon (formerly The Bank of New York)
One Canada Square
E14 5AL
- (viii) 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 = GBP 0.90526, producing a sum of (for Instruments not denominated in Euro): Euro 12,151,205.18

Additional steps that may only be taken following approval by an Extraordinary Resolution in accordance with Condition 11.1: Not Applicable