

**Final Terms dated 9 May 2008**

**NATIONAL GRID GAS PLC**

Issue of GBP 300,000,000 6.00 per cent. Instruments due May 2038  
(the "Instruments")  
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 26 February 2008, which constitutes a base prospectus for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Instruments described herein for the purposes of Article 5.4 of the Prospectus Directive and 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 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](http://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:              | 1   |
| 3. | Specified Currency or Currencies: | Sterling (" <b>GBP</b> ")   |
| 4. | Aggregate Nominal Amount:         |   |
|    | (i) Series:                       | GBP 300,000,000   |
|    | (ii) Tranche:                     | GBP 300,000,000   |
| 5. | Issue Price:                      | 98.523 per cent. of the Aggregate Nominal Amount  |
| 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:                   | 13 May 2008   |
|    | (ii) Interest Commencement Date:  | 13 May 2008   |

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|-----|---|--|
| 8.  | Maturity Date:                                  | 13 May 2038  |
| 9.  | Interest Basis:                                 | 6.00 per cent. per annum Fixed Rate<br>(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:                         | Syndicated   |

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

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|-----|--|---|
| 15. | <b>Fixed Rate Instrument Provisions</b>  | 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 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. | <b>Floating Rate Instrument Provisions</b>   | Not Applicable                                      |
| 17. | <b>Zero Coupon Instrument Provisions</b>   | Not Applicable                                      |
| 18. | <b>Index-Linked Interest Instrument</b>  | Not Applicable                                      |
| 19. | <b>Dual Currency Instrument Provisions</b>   | Not Applicable                                      |

**PROVISIONS RELATING TO REDEMPTION**

- |     |  |                                  |
|-----|--|----------------------------------|
| 20. | <b>Call Option</b>   | Not Applicable                   |
| 21. | <b>Put Option</b>  | Not Applicable                   |
| 22. | <b>Final Redemption Amount of each Instrument</b>  | GBP 1,000 per Calculation Amount |
| 23. | <b>Early Redemption Amount</b>   |                                  |
|     | (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 per 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**

- |     |  |  |
|-----|--|--|
| 24. | <b>Form of Instruments:</b>  | <b>Bearer Instruments:</b>   |
|     |  | 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:  | Not Applicable   |
| 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                         | Yes. Talons will mature on 13 May 2033   |

Instruments (and dates on which such Talons mature):

- |     |   |                |
|-----|---|----------------|
| 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**

- |     |                                       |  |
|-----|---------------------------------------|--|
| 32. | (i) If syndicated, names of Managers: | <u>Joint Lead Managers:</u><br>Barclays Bank PLC<br>Royal Bank of Canada Europe Limited<br><br><u>Co-Lead Managers:</u><br>Banco Bilbao Vizcaya Argentaria, S.A.<br>Commonwealth Bank of Australia<br>Mizhuo International plc<br>The Toronto-Dominion Bank<br>Wachovia Securities International Limited |
|     | (ii) Stabilising Manager(s) (if any): | Barclays Bank PLC  |
| 33. | If non-syndicated, name of Dealer:    | Not Applicable   |
| 34. | U.S Selling Restrictions              | Reg. S Compliance Category 2; TEFRA D  |
| 35. | Additional selling restrictions:      | Not Applicable   |

#### **PURPOSE OF FINAL TERMS**

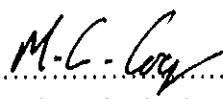
These Final Terms comprise the final terms required for issue and admission to trading on the Regulated Market of the London Stock Exchange of the Instruments described herein pursuant

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:  .....  
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 13 May 2008.
- (iii) Estimate of total expenses related to admission to trading: GBP 4,200

### 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: 6.109 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**

ISIN Code: XS0363511873

Common Code: 036351187

Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, *société anonyme* and the identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of initial Paying Agent(s): The Bank of New York  
One Canada Square  
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 = GBP 0.78427, producing a sum of (for Instruments not denominated in Euro): Euro 382,521,325.56

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

