

Final Terms dated 29 January 2020

NATIONAL GRID GAS PLC

Legal Entity Identifier (LEI): FPCHGTHKVVH9ZWXS7S453
Issue of £300,000,000 1.375 per cent. Instruments due 2031
under the Euro 10,000,000,000 Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

PROHIBITION OF SALES TO EEA AND UK RETAIL INVESTORS – The Instruments are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“**EEA**”) or in the United Kingdom (the “**UK**”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “**MiFID II**”); (ii) a customer within the meaning of Directive (EU) 2016/97 (the “**Insurance Distribution Directive**”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the “**Prospectus Regulation**”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “**PRIIPs Regulation**”) for offering or selling the Instruments or otherwise making them available to retail investors in the EEA or in the UK has been prepared and therefore offering or selling the Instruments or otherwise making them available to any retail investor in the EEA or in the UK may be unlawful under the PRIIPs Regulation.

MiFID II product governance / Professional investors and ECPs only target market – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Instruments has led to the conclusion that: (i) the target market for the Instruments is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the Instruments to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Instruments (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Instruments (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 30 July 2019 and the supplementary Prospectus dated 22 January 2020 which together constitute a base prospectus for the purposes of the Prospectus Regulation. This document constitutes the Final Terms of the Instruments described herein for the purposes of the Prospectus Regulation and must be read in conjunction with such Prospectus as so supplemented. 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 are available for viewing on the website of Regulatory News Services operated by the London Stock Exchange at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

1	Issuer:	National Grid Gas plc
2	(i) Series Number:	78
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Pounds Sterling (“£”)

4	Aggregate Nominal Amount:	
	(i) Series:	£300,000,000
	(ii) Tranche:	£300,000,000
5	Issue Price:	99.006 per cent. of the Aggregate Nominal Amount
6	Specified Denominations:	£200,000 and integral multiples of £1,000 in excess thereof up to and including £399,000. No Instruments in definitive form will be issued with a denomination above £399,000.
7	Calculation Amount:	£1,000
8	(i) Issue Date:	31 January 2020
	(ii) Interest Commencement Date:	Issue Date
9	Maturity Date:	7 February 2031
10	Interest Basis:	1.375 per cent. Fixed Rate (See paragraph 15 below)
11	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Instruments will be redeemed on the Maturity Date at 100 per cent. of their nominal amount
12	Change of Interest or Redemption/Payment Basis:	Not Applicable
13	Put/Call Options:	Issuer Call Make-whole (See paragraphs 20 and 21 below)
14	Date Board approval for issuance of Instruments obtained:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	Fixed Rate Instrument Provisions	Applicable
	(i) Rate of Interest:	1.375 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	7 February in each year commencing on 7 February 2021
	(iii) Fixed Coupon Amount(s):	£13.75 per Calculation Amount, other than in respect of the long first coupon at paragraph 15(iv) below
	(iv) Broken Amount(s):	Initial Broken Amount of £14.01 per Calculation Amount, payable on the Interest Payment Date falling on 7 February 2021
	(v) Day Count Fraction (Condition 3.8):	Actual/Actual (ICMA)
	(vi) Determination Dates (Condition 3.8):	7 February in each year

16	Floating Rate Instrument Provisions	Not Applicable
17	Zero Coupon Instrument Provisions	Not Applicable
18	Index Linked Interest Instrument	Not Applicable

PROVISIONS RELATING TO REDEMPTION

19	Residual Holding Call Option	Not Applicable
20	Call Option	Applicable
	(i) Optional Redemption Date(s):	On or after 7 November 2030
	(ii) Optional Redemption Amount(s) of each Instrument:	£1,000 per Calculation Amount
	(iii) If redeemable in part:	
	(a) Minimum nominal amount to be redeemed:	£200,000
	(b) Maximum nominal amount to be redeemed:	Not Applicable
	(iv) Option Exercise Date(s):	Not Applicable
	(v) Notice periods (Condition 5.5.2):	Minimum Period: 15 days Maximum Period: 30 days
21	Make-whole Redemption Option	Applicable
	(i) Make-whole Redemption Date(s):	At any time prior to 7 November 2030
	(a) Reference Bond:	UKT 4.750% 2030
	(b) Quotation Time:	11:00am (London time)
	(c) Redemption Margin:	0.15 per cent.
	(d) Determination Date:	The third business day in London prior to the applicable Make-whole Redemption Date
	(ii) If redeemable in part:	
	(a) Minimum nominal amount to be redeemed:	£200,000
	(b) Maximum nominal amount to be redeemed:	Not Applicable
	(iii) Notice periods (Condition 5.5.3):	Minimum Period: 15 days Maximum Period: 30 days
22	Put Option	Not Applicable
23	Final Redemption Amount of each Instrument	£1,000 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): £1,000 per Calculation Amount
 - (ii) Redemption for taxation reasons permitted on days other than Interest Payment Dates (Condition 5.2): Yes
 - (iii) Notice Periods (Condition 5.2): Minimum Period: 30 days
Maximum Period: 45 days

GENERAL PROVISIONS APPLICABLE TO THE INSTRUMENTS

- 25 Form of 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: Yes
- 26 Financial Centre(s) or other special provisions relating to Payment Dates (Condition 6.6):** Not Applicable
- 27 Talons for future Coupons to be attached to Definitive Instruments (and dates on which such Talons mature):** No
- 28 Eligible Bonds:** No

Signed on behalf of the Issuer:

By: 
Duly authorised

PART B – OTHER INFORMATION

1 LISTING AND TRADING

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| (i) Listing: | Official List |
| (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's regulated market with effect from 31 January 2020. |
| (iii) Estimate of total expenses related to admission to trading: | £4,725 |

2 RATINGS

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| Ratings: | The Instruments to be issued are expected to be rated:

S&P: A-
Moody's: A3
Fitch: A |
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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 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/use of proceeds: | General Corporate Purposes |
| (ii) Estimated net proceeds: | £296,358,000 |

5 YIELD

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| Indication of yield: | Calculated as 1.473 per cent. on the Issue Date. The yield is calculated on the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |
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OPERATIONAL INFORMATION

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| ISIN: | XS2112228676 |
| Common Code: | 211222867 |
| CFI: | As set out on the website of the Association of National Numbering Agencies or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN |

FISN:	As set out on the website of the Association of National Numbering Agencies or alternatively sourced from the responsible National Numbering Agency that assigned the ISIN
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the identification number(s):	Not Applicable
Delivery:	Delivery against payment
Names and addresses of initial Paying Agent(s):	Not Applicable
Intended to be held in a manner which would allow Eurosystem eligibility:	Yes. Note that the designation “yes” simply means that the Instruments are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Instruments 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.
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
Relevant Benchmarks:	Not Applicable
If syndicated, names of Managers:	Bank of China Limited, London Branch Lloyds Bank Corporate Markets plc RBC Europe Limited ICBC Standard Bank Plc SMBC Nikko Capital Markets Limited The Toronto-Dominion Bank
If non-syndicated, name of Dealer:	Not Applicable
Stabilisation Manager(s) if any:	RBC Europe Limited

6 SELLING RESTRICTIONS

(i) U.S Selling Restrictions:	Reg. S Compliance Category 2; TEFRA D
(ii) Prohibition of Sales to EEA Retail Investors:	Applicable
(iii) Prohibition of Sales to Belgian Consumers:	Applicable
(iv) Method of distribution:	Syndicated
(v) Additional selling restrictions:	Not Applicable