

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN OR INTO OR TO ANY PERSON LOCATED OR RESIDENT IN THE UNITED STATES, ITS TERRITORIES AND POSSESSIONS OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO RELEASE, PUBLISH, OR DISTRIBUTE THIS DOCUMENT, OR TO ANY U.S. PERSON (AS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED).

**National Grid Gas plc (“NGG”)
and
National Grid Gas Finance plc (“NGGF”)**

Announcement of invitations to consent made to the holders of NGG’s:

- **£100,000,000 1.8625 Index-Linked Instruments due 2039 (ISIN: XS0294586002) (Series 56);**
- **£100,000,000 1.6298 RPI-Linked Instruments due 2048 (ISIN: XS0264020347) (Series 41); and**
- **£100,000,000 1.5522 RPI-Linked Instruments due 2048 (ISIN: XS0263581919) (Series 42),**

(each a “Series” and together the “Instruments”)

NGG invites holders of the Instruments to consent, by way of an extraordinary resolution, to make certain modifications to the terms and conditions of the Instruments. The proposed modifications include, but are not limited to:

1. the substitution of NGGF, a subsidiary of National Grid Gas Distribution Limited (“**NGGD**”), in place of NGG as issuer and principal debtor in respect of the Instruments;
2. the giving of a guarantee by NGGD in respect of NGGF’s obligations as issuer and principal debtor under the instruments;
3. NGG accordingly being irrevocably released of all of its obligations under the Instruments; and
4. further substantial modifications to the terms and conditions of the Instruments, including but not limited to an increase in the rate of interest applicable to the Instruments.

The invitations are made on the terms and subject to the conditions contained in consent request letters delivered to Euroclear and Clearstream, Luxembourg for communication by them to their entitled accountholders. Holders of Instruments are advised to read carefully the consent request letters for full details of, and information on the procedures for acting upon, the invitations.

Further details relating to the contents of this announcement can be obtained from:

Attention (treasury matters): Kwok Liu (Deputy Treasurer, +44 20 7004 3367)

Attention (legal matters): Mark Noble (Deputy Group General Counsel, +44 20 7004 3212)

National Grid Gas plc
1-3 Strand
London WC2N 5EH

22 November 2016