

Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Kinder Morgan Canada Limited		98-1382900	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Investor Relations	800-315-0578	KML_IR@Kindermorgancanadalimited.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
2700 - 300 5th Avenue SW		Calgary, Alberta T2P 5J2 Canada	
8 Date of action		9 Classification and description	
January 3, 2019		Common Stock	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
494549207		KML	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ On January 3, 2019 a special cash distribution was made to our Common Stock Shareholders.

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ Based upon reasonable assumptions, we currently estimate that approximately 96.7% of the distribution made (11.025/share) constitutes a return of capital under IRS Code 301(c)(2), while 3.3% (.375/share) of the distribution made constitutes a taxable dividend. Generally the portion of the distribution on the common stock that is treated as return on capital should reduce the shareholders tax basis in the common stock, with excess treated as capital gains pursuant to IRS Code Section 301(c)(3). See attached statement.

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ The Calculations of the change in basis relate to Kinder Morgan Canada Limited Partnership's estimate of current earnings and profits for tax year 2019 and the assumptions related thereto.

Pursuant to applicable Treasury regulations under section 6045B, if these assumptions turn out to be inaccurate, Kinder Morgan Canada Limited will file a corrected Form 8937 within 45 days of such determination.

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Pursuant to IRC Section 301 (C)(1), the portion of a distribution which is a dividend (as defined under IRC Section 316) is includable in gross income. pursuant to IRC Section 301 (C)(2), the portion of the distribution which is not a dividend shall be applied and reduce the adjusted basis of the stock.

18 Can any resulting loss be recognized? ▶ N/A

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The adjustment to basis should be taken into account in the year during which the cash distribution was received.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here Signature: [Handwritten Signature] Date: Feb 12, 2019

Paid Preparer Use Only	Print your name ▶	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

Kinder Morgan Canada Limited
Supplemental Attachment to Form 8937
98-1382900

Part II, Question 14:

Detail of the distribution made is described below:

Canadian Dollars

Declaration Date	Record Date	Payable Date	Amount	Taxable Dividend Amount	Return of Capital Amount
11/29/2018	11/29/2018	1/3/2019	11.40	0.3750	11.0250