TRANS MOUNTAIN PIPELINE SYSTEM AND EXPANSION PROJECT TO BE SOLD FOR C$4.5 BILLION

Deal Ensures Critical Project Benefiting All Canadians Will Proceed

CALGARY, ALBERTA, May 29, 2018 –The Kinder Morgan Canada Limited (TSX: KML) board today announced that the Government of Canada has agreed to purchase the Trans Mountain Pipeline system and the expansion project (TMEP) for C$4.5 billion, and to work with the board to seek a third party buyer for the Trans Mountain Pipeline system and TMEP through July 22, 2018.

As part of the agreement, the Government of Canada has agreed to fund the resumption of TMEP planning and construction work by guaranteeing TMEP's expenditures under a separate Federal Government recourse credit facility until the transaction closes. The parties expect to close the transaction late in the third quarter or early in the fourth quarter of 2018, subject to KML shareholder and applicable regulatory approvals.

"We are pleased to reach agreement on a transaction that benefits the people of Canada, TMEP shippers and KML shareholders," said KML Chairman and Chief Executive Officer Steve Kean. "The outcome we have reached represents the best opportunity to complete TMEP and thereby realize the great national economic benefits promised by that project.

"Our Canadian employees and contractors have worked very hard to advance the project to this critical stage, and they will now resume work in executing this important Canadian project."

The purchase price alone equates to approximately $13 per restricted voting share on a pre-capital gains tax basis and approximately $12 per restricted voting share after capital gains tax. KML expects its approximately 30 percent share of after-tax proceeds to be approximately C$1.25 billion.

"In addition to the benefit of the sale proceeds, our remaining portfolio of assets represents a strong platform for the company and shareholders now and in the future. These assets were budgeted to generate approximately half of KML's Adjusted EBITDA excluding capitalized equity financing costs. We continue to invest in expansions of our Canadian assets and look forward to future growth in the service of our customers and our shareholders," Kean concluded.

KML will continue to manage a portfolio of strategic infrastructure across Western Canada, including:

- An integrated network of crude tank storage and rail terminals in Alberta that is one of the largest in the region;
    - The crude terminal facilities constitute the largest merchant terminal storage facility in the Edmonton market and the largest origination crude by rail loading facility in North America;
- The Vancouver Wharves Terminal, the largest mineral concentrate export/import facility on the west coast of North America; and,
- The Cochin Pipeline system that transports light condensate originating from the United States to Fort Saskatchewan, Alberta.

TD Securities is serving as financial advisor to KML and is rendering a fairness opinion on the transaction to the KML board.

Please join KML at 9:10 a.m. EDT on Tuesday, May 29, 2018, at www.kindermorgancanadalimited.com for a LIVE webcast conference call to discuss this announcement.

About Kinder Morgan Canada Limited (TSX: KML). KML manages and is the holder of a minority interest in a portfolio of strategic infrastructure assets across Western Canada. The financial results of the entire suite of assets held by Kinder Morgan Canada Limited Partnership (the Business) are consolidated into the financial results of KML. KML investors are reminded that Kinder Morgan, Inc. (KMI) holds a majority voting interest in KML and a corresponding majority economic interest in the entirety of the business contributing to financial results discussed in this news release. Therefore, unless the context otherwise requires, references to KML in this news release are references to the Business in which the holders of restricted voting shares of KML collectively have a minority interest. For more information please visit www.kindermorgancanadalimited.com.

Non-GAAP Financial Measure

This release contains a reference to Adjusted EBITDA, a financial measure that does not have any standardized meaning as prescribed by United States generally accepted accounting principles (non-GAAP measures)

Certain Items as used to calculate our Non-GAAP measures, are items that are required by GAAP to be reflected in net income, but typically either (1) do not have a cash impact (for example, asset impairments), or (2) by their nature are separately identifiable from our normal business operations and in our view are likely to occur only sporadically (for example certain legal settlements, enactment of new tax legislation and casualty losses).

Adjusted EBITDA is calculated by adjusting net income before interest expense, taxes, and DD&A for Certain Items. Adjusted EBITDA is used by management and external users to evaluate, in conjunction with our net debt, certain leverage metrics. We believe the GAAP measure most directly comparable to Adjusted EBITDA is net income.

Our non-GAAP measures should not be considered alternatives to GAAP net income or other GAAP measures and have important limitations as analytical tools. Our computations of non-GAAP measures may differ from similarly titled measures used by others. You should not consider these non-GAAP measures in isolation or as substitutes for an analysis of our results as reported under GAAP. DCF should not be used as an alternative to net cash provided by operating activities computed under GAAP. Management compensates for the limitations of these non-GAAP measures by reviewing our comparable GAAP measures, understanding the differences between the measures and taking this information into account in its analysis and its decision making processes.

Important Information Relating to Forward-Looking Statements

This news release includes "forward-looking information," "financial outlook" and "forward-looking statements" within the meaning of applicable securities laws (forward-looking statements). Forward-looking statements in this news release include statements, express or implied, concerning, without limitation: the completion of the TMEP, the sale of the Trans Mountain system and TMEP, the performance of KML's remaining portfolio of assets. Forward-looking statements are not guarantees of performance or certain outcomes, and future actions, conditions or events may differ materially from those expressed in forward-looking statements provided in this news release. Forward-looking statements involve significant risks, uncertainties and assumptions, many of which are beyond the ability of KML to control or predict. Among other things, specific factors that could cause actual results to differ from those indicated in the forward-looking statements provided in this news release include, without limitation: satisfaction of the terms and conditions in the sale transaction, including receiving requisite approvals, changes in market conditions; competitive landscape; issues, delays or stoppages associated with major expansion projects; changes in public opinion; public or government opposition; the resolution of issues relating to the concerns of individuals, special interest or Aboriginal groups, governmental organizations, non-governmental organizations and other third parties that may expose the Business to higher project or operating costs, project delays or even project cancellations; significant unanticipated cost overruns or required capital expenditures; the breakdown or failure of equipment and facilities; releases or spills, operational disruptions or service interruptions; the ability of KML and/or the Business to access sufficient external sources of financing, and the cost of such financing; and changes in governmental support and the regulatory environment.

The foregoing list should not be construed to be exhaustive. In addition to the foregoing, important additional information respecting the material assumptions, expectations and risks applicable to the forward-looking statements included in this news release are set out in KML's annual report on Form 10-K for the year-ended December 31, 2017 (under the headings "Risk Factors," "Information Regarding Forward-Looking Statements," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and elsewhere) and KML's subsequent reports, which are available through the SEC's EDGAR system at www.sec.gov, *under KML's profile on SEDAR at www.sedar.com and on KML's website at ir.kindermorgancanadalimited.com. Shareholders and prospective investors are urged to review and carefully consider such information prior to making any investment decision in respect of KML's restricted voting shares or other securities. The risk factors applicable to KML could cause actual results to vary materially from those contained in any forward-looking statements. The forward-looking statements included in this news release are made as of the date of this news release and KML disclaims any obligation, other than as required by applicable law, to update the forward-looking statements included in this news release.*

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