KINDER MORGAN CANADA LIMITED ANNOUNCES SECOND QUARTER RESULTS AND DECLARES PARTIAL-PERIOD

DIVIDEND OF $0.0571 PER RESTRICTED VOTING SHARE

Continued Progress on Trans Mountain Expansion Project

CALGARY, ALBERTA, July 19, 2017 - The Kinder Morgan Canada Limited (TSX: KML) board of directors has declared a prorated dividend for the second quarter of $0.0571 per restricted voting share, payable on August 15, 2017, to restricted voting shareholders of record as of July 31, 2017. The initial dividend represents the dividend payable for the period between May 30, 2017, the day KML closed its initial public offering (Offering) and the end of the quarter. On a full quarter basis, this dividend amounts to $0.1625 per restricted voting share (or $0.65 per restricted voting share on an annualized basis).

"KML President Ian Anderson and his team are making good progress on our flagship Trans Mountain Expansion Project," said KML Board Chairman and CEO Steve Kean. "This project is secured by long-term commitments that were reaffirmed in the first quarter of this year reflecting 2017 oil sands conditions."

"We are on track to begin construction in September and expect to have the project in service at the end of 2019," said KML President Ian Anderson. "We look forward to continuing to work with the provincial government in British Columbia to complete this project, which is critically important to Canada, providing jobs, opportunities and much needed market access."

"We have made significant progress including finalizing of substantial agreements in preparation for construction. We are also moving forward with our commitments to local communities and to Indigenous peoples through our Mutual Benefits Agreements," added Anderson.

For 2017, KML expects to generate Adjusted EBITDA of just under $400 million, distributable cash flow (DCF) of approximately $320 million, and declare a prorated dividend of $0.3821 per restricted voting share (or $0.65 per restricted voting share on an annualized basis). Additionally, from a total project cost of $7.4 billion, which includes capitalized financing costs and capital spent to date, the Trans Mountain Expansion Project has remaining estimated cash spend to completion of approximately $6.1 billion as of the end of the second quarter.

"Overall, we had a good second quarter as KML demonstrated the resiliency of its cash flows, generated by a diversified portfolio of fee-based assets," said Kean. KML reported second quarter net income of $25.1 million, down from the second quarter of 2016, driven by intercompany FX as discussed below. KML also reported total DCF of $79.4 million versus $85.6 million for the comparable period in 2016. The decrease in DCF for the quarter was primarily attributable to lower contributions from the Pipelines segment driven by higher operating costs on the Canadian portion of the Cochin system resulting from integrity work accelerated into the first half of the year, as well as lower throughput on the Puget Sound Pipeline system. Net income was also impacted by a foreign exchange (FX) loss in the quarter of $16 million versus an FX gain of $5.8 million in the second quarter of 2016. These FX items were largely the result of the impact of currency fluctuations on intercompany loans with Kinder Morgan, Inc. (KMI), the principal amounts of which were settled during the quarter.

In the 32 days following the completion of the Offering, KML generated earnings per restricted voting share for the quarter of $0.11, and produced DCF of $8.5 million per restricted voting share relative to our declared $0.0571 per restricted voting share dividend, resulting in $2.6 million of excess DCF above the company's dividend.

Overview of Business Segments

"The **Pipelines** segment's performance for the second quarter of 2017 was 17 percent lower than the same period during 2016. The largest driver was that, while the Cochin Pipeline saw increased volumes, the system had greater integrity work expense compared to the same period in 2016. KML expects Cochin integrity expense to be lower than plan for the remainder of 2017 given the work completed in the first two quarters. For the Trans Mountain Pipeline, contributions were down due to operating expense and a 21 percent decrease in volumes to Washington state as shippers chose British Columbia destinations," said Anderson.

"The **Terminals** segment experienced strong performance at its Edmonton Area terminals, which benefited from record volume and rail car loading activity. Across the Edmonton Area tank storage and rail facilities, volume for the quarter was up almost 12 million barrels, or 70 percent versus the second quarter of 2016, driven by increased demand for our product takeaway capabilities and optionality," noted John Schlosser, KML Terminals President. "While the take or pay nature of our contracts largely insulates KML from short-term volume fluctuations, the high degree of utilization of these assets is a testament to their importance."

The segment's Vancouver Wharves terminal benefited from enhancements made to its agricultural product handling system to accommodate growing export demand, with agricultural product volume for the quarter up nearly 244,000 metric tonnes, or 123 percent compared to the second quarter of 2016. Facility earnings for the quarter were offset by elevated maintenance and other operating costs.

Other News

KML Corporate

On May 30, 2017, KML's Offering consisted of 102,942,000 restricted voting shares of KML at a price to the public of $17.00 per restricted voting share for total gross proceeds of approximately $1.75 billion. The proceeds of the Offering were used by KML to indirectly acquire from KMI an approximate 30 percent interest in a limited partnership that holds the Canadian business of KMI with KMI retaining the remaining 70 percent interest.

KML also announced the election of three independent members to its board of directors - Daniel P.E. Fournier, former barrister and solicitor with Blake, Cassels & Graydon LLP, Gordon M. Ritchie, retired Vice Chairman of RBC Capital Markets and Brooke N. Wade, President of Wade Capital Corporation. "I am delighted that Daniel, Gordon and Brooke have agreed to join the KML board," Kean said. "They bring a wealth of experience, knowledge and dedication that will aid us in continuing our growth and successful completion of the Trans Mountain Expansion Project."

KML has established a dividend reinvestment plan (DRIP) available to Canadian KML shareholders. This program will entitle holders enrolled in the plan by August 1, 2017, to reinvest their dividends payable on August 15, 2017, in additional KML shares. Enrolled shareholders' dividends will be used to purchase additional shares at a 3 percent discount to the average trading price for the five trading days immediately preceding the dividend payment date. For more information, KML shareholders should contact their brokers. Additional information can be found under "Investor Materials" on the KML website (www.kindermorgancanadalimited.com).

KML's declared dividends for the second quarter of 2017 are designated "eligible dividends" for Canadian income tax purposes according to section 89 of the Income Tax Act (Canada).

Pipelines

Since receiving Government of Canada approval in 2016, KML has been moving forward with the regulatory, commercial and construction planning aspects of the Trans Mountain Expansion Project, achieving significant positive progress. Construction is set to begin in September of 2017, and the project is expected to be in service at the end of 2019. In the first quarter, the project successfully completed a final cost review with its shippers and a supplemental open season. All available long-term firm service capacity remains contracted on the pipeline with a diverse group of 13 customers.

"The conclusion of these steps demonstrates continued strong market support for the project and the much-needed access to new markets it will bring to Canadian producers, as well as providing a secure supply of Canadian crude to refineries throughout the Pacific basin," said Anderson. Collectively, the firm shippers have made 15- and 20-year commitments of 707,500 barrels per day, or approximately 80 percent of the capacity on the expanded pipeline, with the remaining 20 percent reserved for spot volumes as required by the National Energy Board.

Terminals

Construction continues at KML's and Keyera's Base Line Terminal, a 50-50 joint venture crude oil merchant storage terminal being developed in Edmonton, Alberta. The 12-tank, 4.8 million barrel new-build facility is fully contracted with long-term, firm take-or-pay agreements with strong, creditworthy customers. KML's investment in the joint venture terminal is approximately $366 million. Commissioning is expected to begin in the first quarter of 2018 with tanks phased into service throughout that year. The facility is projected to be on schedule and on budget.

Financing

On June 16, 2017, indirectly through its affiliates, KML entered into definitive agreements establishing a $4.0 billion revolving construction credit facility for the purpose of funding the development, construction and completion of the Trans Mountain Expansion Project, a $1.0 billion revolving contingent credit facility for the purpose of funding, if necessary, additional Trans Mountain Expansion Project costs (and, subject to the need to fund such additional costs, meeting NEB-mandated liquidity requirements) and a $500 million revolving working capital facility, which is available for general corporate purposes, including working capital.

The credit facilities have a term of five years and are guaranteed by KML, Kinder Morgan Canada Limited Partnership and other operating entities comprising KML's business. The credit facilities provide for customary positive and negative covenants, including limitations on liens, dispositions, amalgamations, liquidations and dissolutions. For a summary of the material terms of the credit facilities, see "*Description of Indebtedness - Credit Facility*" in KML's long form prospectus dated May 25, 2017. A copy of the credit agreement associated with the credit facilities is available under KML's profile on SEDAR at www.sedar.com.

Kinder Morgan Canada Limited (TSX: KML) is responsible for and is the holder of a 30 percent interest in a portfolio of strategic energy infrastructure assets across Western Canada. The financial results of the entire suite of assets held by Kinder Morgan Canada Limited Partnership (Business) have been consolidated into the financial results of KML. KML investors are reminded that KMI holds a majority 70 percent voting interest in KML and a corresponding majority 70 percent economic interest in the entirety of the business contributing to financial results discussed in this new 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 have a 30 percent interest. The Trans Mountain Pipeline system, with connections to 20 incoming pipelines and current transportation capacity of approximately 300,000 barrels per day (based on throughput of 80 percent light oil and refined products and 20 percent heavy oil), is the only Canadian crude oil and refined products export pipeline with North American West Coast tidewater access (specifically, British Columbia and Washington State). In Alberta, KML has one of the largest integrated networks of crude tank storage and rail terminals in Western Canada and the largest merchant terminal storage facility in the Edmonton market. KML also operates the largest origination crude by rail loading facility in North America. In British Columbia, KML controls the largest mineral concentrate export/import facility on the west coast of North America through its Vancouver Wharves Terminal. Through its Puget Sound pipeline system, KML ships crude oil to refineries in Washington state and its Cochin Pipeline system transports light condensate originating from the United States to Fort Saskatchewan, Alberta. For more information please visit www.kindermorgancanadalimited.com

Please join KMI and KML at 4:30 p.m Eastern Time on Wednesday, July 19, 2017, at www.kindermorgan.com for a LIVE webcast conference call which will include a discussion of KML's second quarter earnings.

Non-GAAP Financial Measures

KML's financial information has been prepared in accordance with United States generally accepted accounting principles (GAAP). In addition to using measures prescribed by GAAP, this news release includes references to DCF (both in the aggregate and per share), net income before interest expense, taxes, DD&A and adjusted for Certain Items (Adjusted EBITDA), segment earnings before depreciation, depletion, and amortization (DD&A) and Certain Items (Segment EBDA before

Certain Items) and Adjusted Earnings which are financial measures that do not have any standardized meaning as prescribed by GAAP (non-GAAP measures). DCF, Adjusted EBITDA, Segment EBDA before Certain Items and Adjusted Earnings should not be considered alternatives to GAAP net cash provided by operating activities, net income or Segment EBDA, respectively, computed under GAAP or any other GAAP measures and such non-GAAP measures have important limitations as analytical tools. The computations of DCF, Adjusted EBITDA, Segment EBDA before Certain Items and Adjusted Earnings may differ from similarly titled measures used by others. Accordingly the use of such terms may not be comparable to similarly defined measures presented by other entities and investors should not consider these non-GAAP measures in isolation or as a substitute for an analysis of results reported 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.

<u>Certain Items</u> are items that are required by GAAP to be reflected in net income, but typically either (i) do not have a cash impact (for example, unrealized and realized foreign exchange gains and losses related to the KMI loans and asset impairments), or (ii) 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 and casualty losses).

<u>DCF</u> is net income before DD&A adjusted for (i) income tax expense and cash income taxes (paid) refunded; (ii) sustaining capital expenditures; and (iii) Certain Items. Distributable cash flow is an important performance measure used by us and by external users of our financial statements to evaluate our performance and to measure and estimate our ability to generate cash earnings after servicing our debt, paying cash taxes and expending sustaining capital, that could be used for discretionary purposes such as distributions or expansion capital expenditures. KML uses this performance measure and believes it provides users of its financial statements a useful performance measure reflective of our ability to generate cash earnings to supplement the comparable GAAP measure. DCF should not be used as an alternative to net cash provided by operating activities computed under GAAP. We believe the GAAP measure most directly comparable to distributable cash flow is net income.

<u>Segment EBDA before Certain Items</u> is used by management in its analysis of segment performance and management of our business. The Company believes that Segment EBDA before certain items is a useful measure of the operating performance because it measures segment operating results before DD&A and certain expenses that are generally not controllable by the operating managers of the respective

business segments, such as general and administrative expense, unrealized and realized foreign exchange losses (or gains) on long-term debt-affiliates, interest expense, and income tax expense. General and administrative expenses include such items as employee benefits, insurance, rentals, certain litigation expenses, and shared corporate services including accounting, information technology, human resources and legal services. Certain general and administrative costs attributable to Trans Mountain are billable as flow through items to shippers and result in incremental revenues. Segment EBDA before certain items is calculated by adjusting Segment EBDA for the certain items attributable to a segment, as applicable, which are specifically identified in the footnotes to the accompanying tables. KML did not have any certain items that affected the segments for the period discussed in this release.

Adjusted EBITDA is used as a liquidity measure by the Company and external users of its financial statements, in conjunction with net debt, to evaluate certain leverage metrics. "Adjusted EBITDA" is EBITDA adjusted for Certain Items, as applicable. We believe the GAAP measure most directly comparable to Adjusted EBITDA is net income. The accompanying tables do not include a reconciliation of forecasted net income to forecasted Adjusted EBITDA. The Company evaluates adjusted EBTIDA in total and does not allocate Adjusted EBITDA amongst equity interest holders as it views Adjusted EBITDA as a liquidity measure against the Company's overall leverage.

Adjusted Earnings is used by certain external users of our financial statements to assess the earnings of our business excluding Certain Items as another reflection of our ability to generate earnings. We believe the GAAP measure most directly comparable to Adjusted Earnings is net income.

Reconciliations of each of the foregoing non-GAAP measures have been provided in the financial tables set out below.

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 Trans Mountain Expansion Project, and Base Line Terminal project, including completion of such projects, anticipated costs, scheduling and in-service dates, future benefits and utilization, anticipated project returns and the impacts of such projects; KML's anticipated 2017 Adjusted EBITDA and DCF; and anticipated dividends and the intended payment thereof. Forward-looking statements are not guarantees of performance. They involve significant risks, uncertainties and assumptions. Any financial outlook or other forward-looking statements provided in this news release *have been included for the purpose of providing information relating to management's current expectations and plans for the future, are based on a number of significant assumptions and may not be appropriate, and should not be used, for any other purpose. Future actions, conditions or events and future results of operations may differ materially from those expressed in forward-looking statements. Many of the factors that will determine these results, including the ability of KML to pay dividends, are beyond the ability of KML to control or predict. As noted above, the forward-looking statements included in this release are based on a number of material assumptions, including among others those highlighted, or inherent in the factors highlighted, below. 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: issues, delays or stoppages associated with major expansion projects, including the Trans Mountain Expansion Project; changes in public opinion, public 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, pipelines 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 financial outlook and other forward-looking statements included in this news release are set out in KML's final initial public offering prospectus dated May 25, 2017, copies of which are available under KML's profile on SEDAR at www.sedar.com, under the headings "Notice to Investors - Forward-Looking Statements," "Notice to Investors - Growth Estimates" and "Risk Factors," 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. The risk factors applicable to KML could cause actual results to vary materially from those contained in any forward-looking statements. KML disclaims any obligation, other than as required by applicable law, to update the forward-looking statements included in this release.

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Kinder Morgan Canada Limited and Subsidiaries
Preliminary Consolidated Statements of Income
(Unaudited)
(In millions of Canadian dollars, except per share amounts)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2017	**2016**		**2017**	**2016**	
Revenues	$ 168.7	$ 165.8		$ 333.2	$ 332.4	
Costs, expenses and other						
Operations and maintenance	55.9	43.8		104.9	90.3	
Depreciation, depletion and amortization	35.6	34.1		70.4	68.2	
General and administrative	16.3	14.4		34.3	30.2	
Taxes, other than income taxes	9.8	10.1		19.6	20.1	
Other expense, net	0.4	—		2.2	—	
	118.0	102.4		231.4	208.8	
Operating income	50.7	63.4		101.8	123.6	
Other income (expense)						
Interest, net	(2.9)	(7.3)		(9.6)	(15.9)	
Foreign exchange (loss) gain	(16.0)	5.8		(5.1)	76.3	
Other, net	6.8	4.3		12.5	8.3	
Income before income taxes	38.6	66.2		99.6	192.3	
Income tax expense	(13.5)	(14.5)		(27.7)	(28.6)	
Net income	25.1	51.7		71.9	163.7	
Net income attributable to KMI interests	(20.9)	(51.7)		(67.7)	(163.7)	
Net income available to restricted voting stockholders	**$ 4.2**	**$ —**		**$ 4.2**	**$ —**	
Restricted Voting Shares						
Basic and diluted earnings per restricted voting share	$ 0.11			$ 0.11		
Basic and diluted weighted average restricted voting shares outstanding	38.8			38.8		
Declared dividend per restricted voting share	**$ 0.0571**			**$ 0.0571**		
Segment EBDA			**% change**			**% change**
Pipelines	$ 54.2	$ 65.1	(17)%	$ 110.5	$ 126.1	(12)%
Terminals	52.3	51.5	2 %	106.4	110.6	(4)%
Total Segment EBDA	**$ 106.5**	**$ 116.6**	(9)%	**$ 216.9**	**$ 236.7**	(8)%

Kinder Morgan Canada Limited and Subsidiaries
Preliminary Earnings Contribution by Business Segment
(Unaudited)
(In millions of Canadian dollars, except per share amounts)

	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	% change	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016	% change
Segment EBDA before certain items						
Pipelines	$ 54.2	$ 65.1	(17)%	$ 110.5	$ 126.1	(12)%
Terminals	52.3	51.5	2 %	106.4	110.6	(4)%
Subtotal	106.5	116.6	(9)%	216.9	236.7	(8)%
DD&A	(35.6)	(34.1)		(70.4)	(68.2)	
General and administrative (1)	(15.0)	(14.4)		(31.8)	(30.2)	
Interest, net (2)	(2.9)	(7.3)		(9.6)	(15.9)	
Subtotal	53.0	60.8		105.1	122.4	
Book taxes (1)	(17.4)	(14.5)		(29.2)	(28.6)	
Net Income before Certain Items ("Adjusted Earnings")	35.6	46.3		75.9	93.8	
Certain items						
Foreign exchange (loss) gain on the KMI Loans (3)	(13.1)	5.4		(3.0)	69.9	
Other	(1.3)	—		(2.5)	—	
Subtotal certain items before tax	(14.4)	5.4		(5.5)	69.9	
Book tax certain items	3.9	—		1.5	—	
Total certain items	(10.5)	5.4		(4.0)	69.9	
Net income	25.1	51.7		71.9	163.7	
Net income attributable to KMI interest	(20.9)	(51.7)		(67.7)	(163.7)	
Net income available to restricted voting stockholders	**$ 4.2**	**$ —**		**$ 4.2**	**$ —**	
Net income	$ 25.1	$ 51.7		$ 71.9	$ 163.7	
Total certain items	10.5	(5.4)		4.0	(69.9)	
Adjusted earnings	35.6	46.3		75.9	93.8	
DD&A	35.6	34.1		70.4	68.2	
Total book taxes	17.4	14.5		29.2	28.6	
Cash taxes	(0.1)	0.1		(0.3)	(1.2)	
Sustaining capital expenditures	(9.1)	(9.4)		(12.4)	(15.6)	
DCF (4)	**79.4**	**$ 85.6**		**162.8**	**$ 173.8**	
DCF to KMI interest	(70.9)			(154.3)		
U.S. cash taxes attributable to restricted voting stockholders	—			—		
DCF to restricted voting stockholders	**$ 8.5**			**$ 8.5**		
Weighted average restricted voting shares outstanding for dividends (5)	102.9			102.9		
DCF per restricted voting share (6)	$ 0.083			$ 0.083		
Declared dividend per restricted voting share	$ 0.0571			$ 0.0571		
Adjusted EBITDA (7)	$ 91.5	$ 102.2		$ 185.1	$ 206.5	

Notes (In millions of Canadian dollars)

(1) Excludes certain items:
2Q 2017 - General and administrative $(1.3), book tax $3.9.
YTD 2017 - General and administrative $(2.5), book tax $1.5

(2) For the periods prior to our May 30, 2017 initial public offering, amounts primarily represented interest expense on our KMI loans. The principal on the KMI loans was settled with proceeds from our initial public offering.

(3) Primarily represents foreign currency (losses) gains on U.S. dollar denominated loans outstanding to KMI. The principal on the KMI loans was settled with proceeds from KML's initial public offering.

(4) Included capitalized equity financing costs of:
2Q 2017 - $6.3
2Q 2016 - $4.3
YTD 2017 - $11.8
YTD 2016 - $8.2

(5) The weighted average restricted voting shares outstanding for dividends calculation is based on the actual days in which the shares were outstanding for the period from May 30, 2017 to June 30, 2017, which differs from the GAAP weighted average restricted voting shares outstanding from the date of our formation.

(6) Represents DCF per restricted voting share, including capitalized equity financing costs of $0.7 million, for the period from the May 30, 2017 initial public offering through June 30, 2017. If KML had been a public company for the entire three and six month periods ended June 30, 2017, DCF per the combined 345 million of restricted and special voting shares would have been $0.23 and $0.47, respectively.

(7) Adjusted EBITDA is net income before certain items, plus DD&A, book taxes, and interest expense (before certain items). Net income to Adjusted EBITDA is reconciled as follows, with any difference due to rounding:

Reconciliation of Net Income to Adjusted EBITDA	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Net income	$ 25.1	$ 51.7	$ 71.9	$ 163.7
Total certain items	10.5	(5.4)	4.0	(69.9)
DD&A	35.6	34.1	70.4	68.2
Book taxes	17.4	14.5	29.2	28.6
Interest, net	2.9	7.3	9.6	15.9
Adjusted EBITDA	$ 91.5	$ 102.2	$ 185.1	$ 206.5

Volume Highlights
(Historical pro forma for acquired assets)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2017	2016	2017	2016
Pipelines				
Trans Mountain (MMBbls - mainline throughput)	27.5	28.7	55.1	57.3
Puget Sound (MMBbls - mainline throughput)	15.3	19.3	29.5	36.6
Canadian Cochin (MMBbls - mainline throughput)	8.6	7.8	15.7	14.9
Terminals				
Liquids Leasable Capacity (MMBbl)	7.3	7.3	7.3	7.3
Liquids Utilization %	100%	100%	100%	100%

Kinder Morgan Canada Limited and Subsidiaries
Preliminary Consolidated Balance Sheets
(Unaudited)
(In millions of Canadian dollars)

	June 30, 2017	December 31, 2016
ASSETS		
Cash and cash equivalents	$ 194	$ 159
Other assets	3,870	3,580
TOTAL ASSETS	**$ 4,064**	**$ 3,739**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Debt	$ 189	$ 1,362
Other liabilities	806	941
Equity	3,069	1,436
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$ 4,064**	**$ 3,739**
Net (Cash) Debt	**$ (5)**	**$ 1,203**

	Adjusted EBITDA Twelve Months Ended	
Reconciliation of Net Income to Adjusted EBITDA (1)	**June 30, 2017**	**December 31, 2016**
Net income	$ 110	$ 202
Total certain items	45	(30)
DD&A	139	137
Income tax expense	57	56
Interest, net	24	30
Adjusted EBITDA	**$ 375**	**$ 395**
Net Debt to Adjusted EBITDA	**—**	**3.0**

Notes

(1) Adjusted EBITDA is net income before certain items, plus DD&A, book taxes, and interest expense (before certain items), with any difference due to rounding.