



**KINDER MORGAN
CANADA LIMITED**

**Kinder Morgan Canada Limited
Closes \$300 Million Preferred Share Offering**

CALGARY, August 15, 2017 - Kinder Morgan Canada Limited (the “Company”) (TSX: KML) is pleased to announce that it has completed its previously announced offering of cumulative redeemable minimum rate reset preferred shares, Series 1 (the “Series 1 Preferred Shares”). The Company issued 12,000,000 Series 1 Preferred Shares for aggregate gross proceeds of \$300 million through a syndicate of underwriters led by Scotiabank, CIBC Capital Markets, RBC Capital Markets and TD Securities. The transaction was upsized from a base size of 8,000,000 shares as a result of strong investor demand.

“This robust inaugural preferred offering is another testament to the attractiveness of KML’s integrated suite of assets,” said Dax Sanders, the Company’s Chief Financial Officer. “The transaction also represents another important step in financing the Trans Mountain Expansion Project.”

The Company intends to use the proceeds from the offering to indirectly subscribe for preferred units in Kinder Morgan Canada Limited Partnership, which in turn, intends to use such proceeds to, directly or indirectly, finance the development, construction and completion of the Trans Mountain Expansion project and Base Line Terminal project as well as in connection with other potential future growth opportunities, to repay indebtedness and for general corporate purposes.

The Series 1 Preferred Shares will begin trading today on the TSX under the symbol KML.PR.A. S&P and DBRS have assigned this series a rating of P-3 (high) and Pfd-3 (high), respectively. The outstanding principal amount of the series is expected to receive 50 percent equity treatment from S&P and 100 percent equity treatment from DBRS.

Dividends on the Series 1 Preferred Shares are expected to be \$1.3125 per share annually, payable quarterly on the 15th day of February, May, August and November, as and when declared by the Board of Directors of the Company, for the initial fixed rate period to but excluding November 15, 2022. The first dividend, if declared, will be payable November 15, 2017, in the amount of \$0.3308 per share.

All of the Company's dividends are designated "eligible dividends" for Canadian income tax purposes.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

About Kinder Morgan Canada Limited

Kinder Morgan Canada Limited operates a business comprising a number of pipeline systems and terminal facilities including the Trans Mountain pipeline, the Canadian portion of the Cochin pipeline, the Trans Mountain Puget Sound pipeline, Trans Mountain Jet Fuel pipeline, the Westridge Marine and Vancouver

Wharves terminals in British Columbia as well as various crude oil loading facilities in Edmonton, Alberta. The Trans Mountain pipeline currently transports approximately 300,000 barrels per day (bpd) of crude oil and refined petroleum products from the oil sands in Alberta to Vancouver, British Columbia and Washington State. On November 29, 2016, the Government of Canada granted approval for the anticipated \$7.4 billion Trans Mountain Expansion project, to increase the nominal capacity of the system to 890,000 bpd.

Advisory Regarding Forward-Looking Statements

This document contains certain forward-looking statements and information (collectively, "forward-looking statements") within the meaning of applicable securities legislation that are based on the Company's current expectations, estimates, projections and assumptions in light of its experience and its perception of historical trends. In some cases, forward-looking statements can be identified by terminology such as "plans", "expects", "proposes", "projects", "will", "estimates", "anticipates", "develop", "could" and similar expressions suggesting future events or future performance. In particular, this news release contains forward-looking statements and information relating to the planned use of proceeds from the offering of Series 1 Preferred Shares, the expected equity treatment of principal amount of Series 1 Shares by the rating agencies, and anticipated cost of the Trans Mountain Expansion project.

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions. Any 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 may differ materially from those expressed in forward-looking statements. Many of the factors that will determine these results, are beyond the ability of the Company to control or predict. As noted above, the forward-looking statements included in this news 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 and the Base Line Terminal 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 result in 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 the Company and/or the Business to access sufficient external sources of financing, and the cost of such financing; changes in governmental support and the regulatory environment. In addition, the intended use of the net proceeds of the offering by the Company may change if the Board of Directors of the Company determines that it would be in the best interests of the Company to deploy the proceeds for some other purpose. Certain other risks detailed from time to time in the Company's public disclosure documents could also cause material variances in the forward looking statements and forward looking information set forth herein, including, among other things, those detailed under the heading "Risk Factors" in the Company's short form base shelf prospectus dated July 28, 2017, and under the heading "Risk Factors" in the Company's final long form prospectus dated May 25, 2017, both of which can be found under the Company's profile on SEDAR at www.sedar.com.

Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted, forecasted or projected. Such forward-looking statements are expressly qualified by the above statements. The Company does not undertake any obligation to publicly update or revise any forward-looking statements or information contained herein, except as required by applicable laws.

For further information contact:

Investor Relations:

David Michels

1-(800) 324-2900

e-mail: kml_ir@kindermorgancanadalimited.com

Media Relations:

Ali Hounsell

1-(855) 908-9734

e-mail: media@transmountain.com