



**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ \_\_\_\_\_

See Stmt 3

18 Can any resulting loss be recognized? ▶ \_\_\_\_\_

See Stmt 4

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ \_\_\_\_\_

See Stmt 5

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 ▶  Date ▶ 11-16, 2013

Print your name ▶ Jordan Mintz Title ▶ V.P.

**Paid Preparer Use Only**

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

# El Paso Corporation

## Attachment to Form 8937

### Shareholder Contact Information

**Date of Action: May 25, 2012**

FEIN #45-3953911

STMT #1-A

#### Part I - Question 5

##### Email address of contact

- Post merger date: kmp\_ir@kindermorgan.com

Also refer to links on primary public websites for additional contact information:

- Post merger date: Link On Public Website  
*Contact Us* <http://www.kindermorgan.com>

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STMT #1-B

#### Part I - Question 10

##### CUSIP Numbers

1. # 283695 87 2
2. # 283905 10 7
3. # 28336L 10 9

**El Paso Corporation**  
**Attachment to Form 8937**  
**Date of Organizational Action: May 25, 2012**  
**Merger of El Paso Corporation and Kinder Morgan Inc**

STMT #1-C.1

**Part II - Question 14**

El Paso Corporation (formerly known as Sirius Holdings Merger Corporation), "New El Paso", was a party to two mergers (collectively referred to as the "Second Merger"). This Second Merger will be treated as a "reorganization" for U.S. federal income tax purposes within the meaning of IRC Section 368(a)(1)(A) and occurred on May 25, 2012.

**Description of Second Merger (organizational action)**

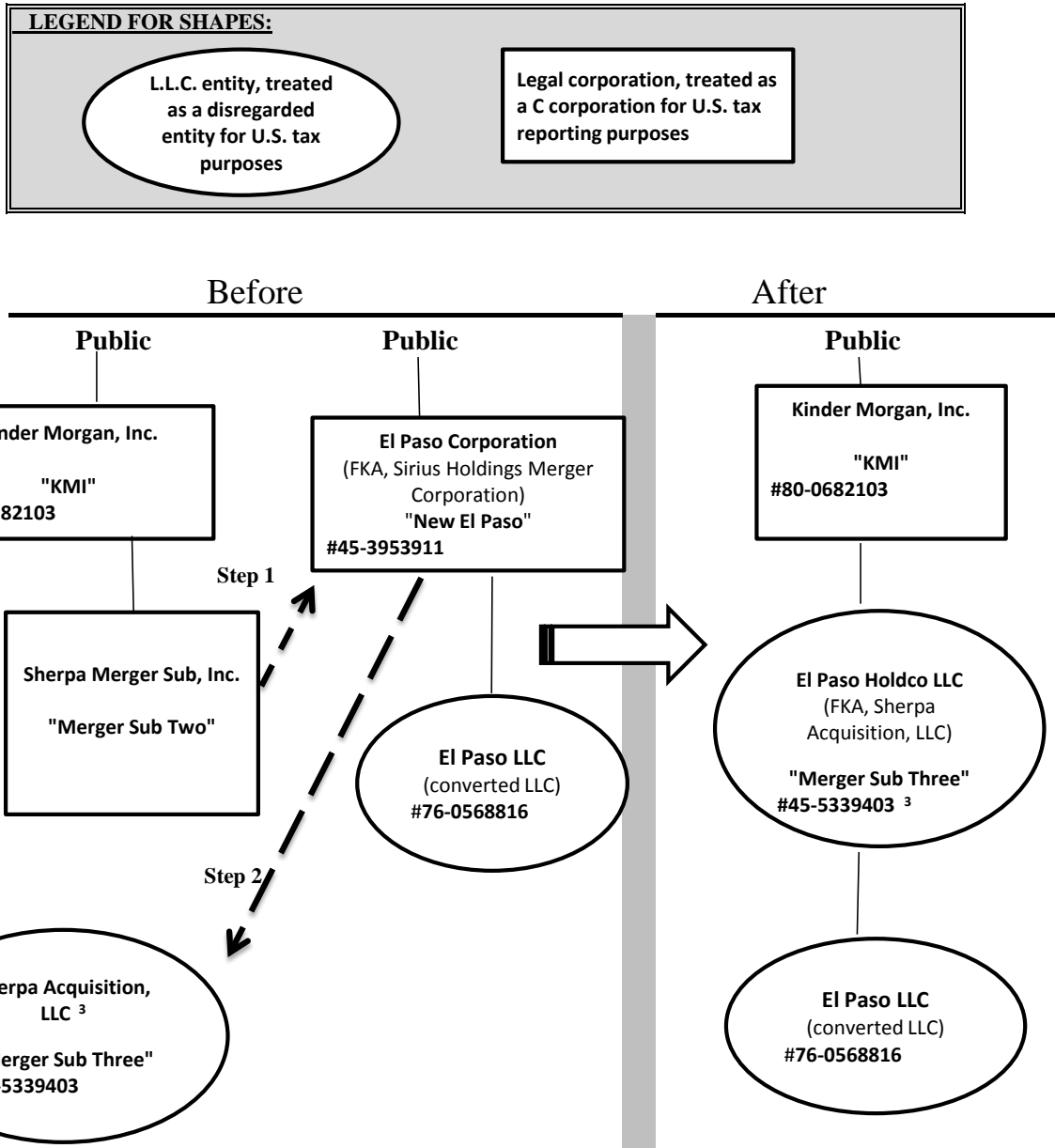
Sherpa Merger Sub, Inc., "Merger Sub Two", merged with and into New El Paso with New El Paso being the surviving corporation and becoming a wholly owned subsidiary of Kinder Morgan, Inc., "KMI". (See Step 1 on chart). Immediately thereafter, New El Paso merged with and into Sherpa Acquisition, LLC, "Merger Sub Three", with Merger Sub Three being the surviving company and remaining a wholly owned subsidiary of KMI. (See Step 2 on chart). The effect of these two mergers, taken together, is such that New El Paso was acquired by "KMI", and shares of New El Paso common stock are no longer publicly traded.

Each holder of New El Paso common stock issued and outstanding immediately prior to the effective time of the Second Merger<sup>1</sup> received a combination of KMI Class P common stock, warrant(s) to purchase one KMI Class P common stock, and/or cash based on the election of the holder (but subject to proration) in exchange for each share of New El Paso stock surrendered, as set out in the *United States Securities and Exchange Commission Form 8-K Current Report* dated May 24, 2012 and filed on May 30, 2012.<sup>2</sup>

<sup>1</sup> Common stock issued and outstanding immediately prior to the effective time of the Second Merger excludes shares held by New El Paso in treasury, any shares held by KMI, Merger Sub Two or Merger Sub Three and any shares held by any other subsidiary of KMI or New El Paso and dissenting shares in accordance with Delaware law.

<sup>2</sup> A copy of this Form 8-K is available on the Kinder Morgan public website under the Investor Relations / KMI tabs.

"Second Merger"



<sup>3</sup> Name change- Sherpa Acquisition, LLC changed its name to El Paso Holdco LLC effective May 25, 2012.

El Paso Corporation

FEIN # 45-3953911

Form 8937

STMT #2

## LEGEND:

"New El Paso"	El Paso Corporation (FEIN 45-3953911), previously known as Sirius Holdings Merger Corporation
"KMI"	Kinder Morgan, Inc.
"Merger Sub Two"	Sherpa Merger Sub, Inc.
"Merger Sub Three"	Sherpa Acquisition, LLC (which changed its name to El Paso Holdco LLC effective May 25, 2012)

## Part II - Questions 15 &amp; 16

Each share of New El Paso common stock outstanding immediately prior to the effective time of the Second Merger (Footnote 1) was converted into the right to receive, at the election of the holder but subject to proration with respect to the stock and cash portion, approximately 57% of the aggregate merger consideration (excluding the warrants) in cash and approximately 43% (excluding the warrants) in Kinder Morgan Inc Class P common stock. Footnote 2

Considerations to be paid each holder are based on the valuations set forth in the *Agreement and Plan of Merger dated as of October 16, 2011 among Kinder Morgan, Inc., Sherpa Merger Sub, Inc., Sherpa Acquisition, LLC, Sirius Holdings Merger Corporation and El Paso Corporation*.

**Tax Basis and Gain/Loss Calculation Information:**

	Stock and Securities Conversion	Quantitative Effect on Tax Basis of Shares and Other Securities	Gain/Loss Calculation
> <b>Stock Election (as adjusted for pro-ratio adjustment)</b>	Each share of New El Paso was exchanged for .4231 of a share in KMI Class P common stock (which was valued at \$13.59 if paid on May 25, 2012) plus 0.640 of a warrant to purchase one share of KMI Class P common stock (which was valued at \$1.22 if paid on May 25, 2012) plus \$14.53 in cash without interest. The KMI equity valuations are based on the average high and low trading prices of a KMI Class P common stock and a KMI warrant as of the merger consideration payment date; which for May 25, 2012 were \$32.12 and \$1.91, respectively.	The holder's aggregate adjusted tax basis in the shares of KMI Class P common stock and warrants received in the transactions, including any fractional share or fractional warrant deemed received and sold as described below, will equal the aggregate adjusted tax basis in the New El Paso common stock surrendered, reduced by the amount of cash (excluding any cash received in lieu of a fractional share or fractional warrant) received and increased by the amount of gain, if any (determined as described in next column), recognized on the exchange (excluding any gain recognized with respect to cash received in lieu of a fractional share or fractional warrant); such aggregate adjusted tax basis will be allocated to the KMI Class P common stock and warrants received based on their relative fair market values as of the date that the merger consideration was paid. The allocation ratios based on the relative values at May 25, 2012 are 91.75% and 8.25% for KMI Class P common and KMI warrants, respectively. See Footnote 3. The aggregate adjusted tax basis is not impacted by cash received in lieu of a fractional share or fractional warrant, if any. See Stmt 6 for an example calculation.	The methodology for calculating the gain (but no loss) is the same methodology as described below for the Mixed Election. See Stmt 6 for an example calculation.
> <b>Mixed Election (Also holders that made no election received the Mixed Election.)</b>	Each share in New El Paso was exchanged for 0.4187 of a share of KMI Class P common stock (which was valued at \$13.45 if paid on May 25, 2012), plus \$14.65 in cash without interest, plus 0.640 of a warrant to purchase one share of KMI Class P common stock (which was valued at \$1.22 if paid on May 25, 2012). The KMI equity valuations are based on the average high and low trading prices of a KMI Class P common stock and a KMI warrant as of the merger consideration payment date; which for May 25, 2012 were \$32.12 and \$1.91, respectively.	The holder's aggregate adjusted tax basis in the shares of KMI Class P common stock and warrants received in the transactions, including any fractional share or fractional warrant deemed received and sold as described below, will equal the aggregate adjusted tax basis in the New El Paso common stock surrendered, reduced by the amount of cash (excluding any cash received in lieu of a fractional share or fractional warrant) received and increased by the amount of gain, if any (determined as described in next column), recognized on the exchange (excluding any gain recognized with respect to cash received in lieu of a fractional share or fractional warrant); such aggregate adjusted tax basis will be allocated to the KMI Class P common stock and warrants received based on their relative fair market values as of the date that the merger consideration was paid. The allocation ratios based on the relative values at May 25, 2012 are 91.67% and 8.33% for KMI Class P common and KMI warrants, respectively. See Footnote 3. The aggregate adjusted tax basis is not impacted by cash received in lieu of a fractional share or fractional warrant, if any. See Stmt 7 for an example calculation.	Upon exchanging the holder's New El Paso common stock for KMI Class P common stock, warrants and cash (other than cash in lieu of a fractional share or fractional warrant), gain (but no loss) will be recognized in an amount equal to the lesser of (i) the sum of the amount of cash (other than cash in lieu of a fractional share or fractional warrant) and the fair market value of the KMI Class P common stock and warrants received, minus the adjusted tax basis of the New El Paso common stock surrendered in exchange therefor, and (ii) the amount of cash (other than cash in lieu of a fractional share or fractional warrant) received. See Stmt 7 for an example calculation.

El Paso Corporation	FEIN # 45-3953911	Form 8937	STMT #2
> <b>Cash Election</b>	Each share in New El Paso was exchanged for \$25.91 in cash without interest plus 0.640 of a warrant to purchase one share of KMI Class P common stock (which has a value of \$1.22 if paid on May 25, 2012).	The holder's aggregate adjusted tax basis in the warrants received in the transactions, including any fractional warrant deemed received and sold as described below, will equal the fair market value thereof as of the merger consideration payment date.	Upon exchanging the holder's New El Paso common stock for cash (other than cash in lieu of a fractional share or fractional warrant) and warrants, gain or loss will be recognized in an amount equal to the sum of the amount of cash (other than cash in lieu of a fractional share or fractional warrant) and the fair market value of the warrants received, minus the adjusted tax basis of the New El Paso common stock surrendered in the exchange.
> <b>Cash Instead of a Fractional Share or Fractional Warrant</b>	Cash instead of a fractional share of KMI Class P common stock or fractional warrant may have been issued to the holder. The receipt of this cash (if any) will be treated as having received the fractional share of KMI Class P common stock or fractional warrant pursuant to the transactions and then as having sold that fractional share of KMI Class P common stock or fractional warrant for cash.	Basis determination of the fractional share of KMI Class P common stock or fractional warrant is set forth above.	As a result, gain or loss, if any, will be recognized equal to the difference between the amount of cash received and the basis in the holder's fractional share of KMI Class P common stock or fractional warrant as set forth above. See Stmt 6 (stock election) and Stmt 7 (mixed election) for example calculations of gain or loss on cash received in lieu of a fractional share or fractional warrant.

If the holder acquired different blocks of El Paso common stock at different times or different prices, the holder should consult his/her tax advisor regarding the manner in which gain or loss should be determined in this specific circumstance. For additional information regarding the U.S. income tax consequences resulting from the merger consideration received in the Second Merger, refer to the Kinder Morgan/El Paso *Information Statement/Proxy Statement/Prospectus - Proposed Merger* dated January 31, 2012.

**FOOTNOTES:**

- 1) The New El Paso common stock converted excluded shares held by New El Paso in treasury, any shares held by Kinder Morgan, Inc., Merger Sub Two or Merger Sub Three and any shares held by any other subsidiary of Kinder Morgan, Inc. or New El Paso and dissenting shares in accordance with Delaware law.
- 2) Refer to the Kinder Morgan, Inc. and El Paso Corporation "Information Statement / Proxy Statement / Prospectus, Proposed Merger- Your Vote is Important" dated January 31, 2012.
- 3) The broker may have listed a transaction date other than May 25, 2012 on the Form 1099-B if the merger consideration payment date of record by the broker differs from May 25, 2012. If the Form 1099-B merger consideration payment date is other than May 25, 2012, determine the allocation ratios based on the relative fair market values for the KMI Class P common stock and the KMI warrants as of that transaction date. The two securities are publicly traded under the ticker symbols of KMI and KMI/WS.

**El Paso Corporation**  
**Attachment to Form 8937**  
**Date of Organizational Action: May 25, 2012**

Attachment Form 8937.

El Paso Corporation

FEIN # 45-3953911

**Part II - Question 17**

STMT 3

The Second Merger (being Steps 1 and Step 2, taken together) as outlined in Stmt 1-C.1 and Stmt 1-C.2, is treated as a "reorganization" for U.S. federal income tax purposes within the meaning of IRC Section 368(a)(1)(A).

**Effect on shareholders (and holders of other securities, such as warrants) -**

- A. IRC Section 354(a) - Exchanges of stock and securities in certain reorganizations
- B. IRC Section 356 - Receipt of additional consideration
- C. IRC Section 358 - Basis to distributees
- D. IRC Section 302 - Distributions in redemption of stock
- E. IRC Section 1001 - Determination of amount of and recognition of gain or loss

STMT 4

**Part II - Question 18**

**Mixed Election and Stock Election**

No loss can be recognized in conjunction with this organizational action with the exception of the loss, if any, recognized relative to the receipt of cash instead of a fractional share or fractional warrant.

See Stmt 2 Cash Instead of a Fractional Share or Fractional Warrant

**Cash Election**

In this case, as the transaction is taxable, any loss realized on the exchange can be recognized for holders that made the Cash Election. See Stmt 2.

STMT 5

**Part II - Question 19**

The stock basis adjustment and any gain or loss will be taken into account in the tax year of the shareholder during which the exchange occurred (e.g., 2012 for calendar year taxpayers).

Individual taxpayers may be required to file Form 8949, *Sales and Other Dispositions of Capital Assets*, with their tax return (Form 1040).

This information does not constitute tax advice, nor does it purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Shareholders are urged to consult their own legal, financial or tax advisor with respect to their individual tax consequences relating to this organizational action.



Stock Consideration Election

STMT 6

KMI Stock and KMI Warrant Tax Basis Calculations and Gain on Exchange Calculation, if any, Example

May 25, 2012

Example Calculation based on "as if" data in a Stock Consideration Election Scenario

Legend: Legal Name	Reference
Kinder Morgan, Inc.	"KMI"
El Paso Corporation (f/k/a Sirius Holdings Merger Corporation)	"New El Paso"

This information does not constitute tax advice, nor does it purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Shareholders are urged to consult their own legal, financial or tax advisor with respect to their individual tax consequences relating to this organizational action. For additional information regarding the U.S. income tax consequences resulting from the merger consideration received in the Second Merger, refer to the Kinder Morgan/El Paso Information Statement/Proxy Statement/Prospectus - Proposed Merger dated January 31, 2012.

I. PER SHARE DATA:

Common Information: Merger consideration received (other than cash in lieu of a fractional share or fractional warrant) -

In exchange for the surrender of each share of New El Paso common stock, the holder that chose the stock consideration election received the following merger consideration:

Per share merger consideration (common to each holder)	- Units Received-	5/25/2012 per Unit Value <sup>1</sup>	Consideration Received	FMV Allocation Ratios of Securities Received
A. Cash (without interest)		\$14.53	\$14.53	
B. KMI Class P common stock	KMI 0.4231	\$32.12	\$13.59	91.75%
C. Warrant to purchase one share of KMI Class P common stock	KMI/WS 0.6400	\$1.91	\$1.22	8.25%
D. Total consideration received in exchange for the surrender of one share of New El Paso			<u>\$29.34</u>	<u>100.00%</u>

This example is based on a May 25, 2012 merger consideration payment date and thus the KMI stock and warrant valuations are based on values for May 25, 2012. See Stmt 2 (including Footnote 3) for instructions regarding different payment dates.

<sup>1</sup> Per Unit Value is the average high and low trading prices for the day of the Second Merger, May 25, 2012.

II. EXAMPLE- STOCK CONSIDERATION ELECTION

A. Information specific to the holder of New El Paso stock (information provided for purposes of illustrating an example only)

- Number of New El Paso common shares held prior to merge and surrendered
- Basis in shares

Sample Data
110 shares
\$20.00 tax basis/share

B. Calculation example based on sample data above

1. Calculation of merger consideration received:

Per share merger consideration (example)	New El Paso Shares Held prior to Second Merger	- Units Received incl. fractional-	5/25/2012 per Unit Value	Consideration Received	FMV Allocation Ratios of Securities Received	Whole Shares & Warrants Recvd	Fractional Shares & Warrants
a. Cash (without interest)	110		\$14.53	\$1,598.30			
b. KMI Class P common stock	110	46.5410	\$32.12	1,494.90	91.75%	46	0.5410
c. Warrant to purchase one share of KMI Class P common stock	110	70.4000	\$1.91	134.46	8.25%	70	0.4000
d. Total consideration received in exchange for the surrender of one share of New El Paso				<u>\$3,227.66</u>	<u>100.00%</u>	<u>116</u>	<u>0.9410</u>

2. Example calculation of gain, if any, (but not loss) to recognize: Example continued based on factors above.

Lesser of a & b:

a. Gain, if any, is the net amount of the following components:

- Cash (other than cash in lieu of a fractional share or fractional warrant) received
- Plus fair market value of the Kinder Morgan Class P common stock and warrants received

	- Units Received-	FMV/unit	FMV of KMI Units	Amount	Lesser of:
KMI common stock	46.541	\$32.12	\$1,494.90	\$1,598.30	
KMI warrants	70.400	\$1.91	134.46		
	<u>116.941</u>		<u>\$1,629.36</u>	\$1,629.36	

- Minus adjusted tax basis of the New El Paso shares surrendered
- Net amount

Units Surrendered	Tax Basis/Unit		Amount	Lesser of:
110	x \$20.00	=	(2,200.00)	
			<u>\$1,027.66</u>	\$1,027.66

b. Cash (other than cash in lieu of a fractional share or fractional warrant) received

c. Recognize gain (but not loss) equal to the lesser of:

\$1,598.30	\$1,598.30
<u>\$1,027.66</u>	<u>\$1,027.66</u>

3. Example calculation of tax basis in KMI common stock and warrants received (including any fractional share or fractional warrant deemed received and sold): Example continued, based on factors above.

a. Aggregate basis in stock and warrants received is equal to the net amount of the following components:

i. Aggregate adjusted tax basis in the New El Paso common stock surrendered (see above)	\$2,200.00
ii. Minus cash (other than cash in lieu of a fractional share or fractional warrant) received	(1,598.30)
iii. Plus amount of gain, if any, recognized on the exchange (excluding any gain recognized with respect to cash received in lieu of a fractional share or fractional warrant)	1,027.66
iv. Aggregate basis in KMI stock and KMI warrants received (including any fractional share or fractional warrant deemed received and sold)	<u>\$1,629.36</u> *

b. Aggregate tax basis is then allocated to the KMI Class P common stock and warrants based on their relative market values:

i. KMI Class P common stock	\$1,629.36	x	91.75%	=
ii. KMI warrants	\$1,629.36	x	8.25%	=
iii. Total tax basis in KMI common stock and warrants received				

Units Received		Fractional Units Deemed Received and Sold	
Tax Basis	Total Units	Tax Basis	Total Units
\$1,477.56	46	\$17.38	0.5410
\$133.66	70	\$0.76	0.4000
<u>\$1,611.22</u>	<u>116</u>	<u>\$18.14</u>	<u>0.9410</u>

c. Summary of aggregated tax basis

	Units
i. KMI Class P common stock, received	46
ii. KMI warrants, received	70
iii. KMI Class P fractional unit of common stock, deemed received and deemed sold	0.5410
iv. KMI fractional stock warrant, deemed received and deemed sold	0.4000
v. Rounding difference (to include in one of the components above)	-
vi. Total aggregated tax basis, calculated above	<u>\$1,629.36</u> *

Tax Basis Summary	
\$1,477.56	
133.66	
17.38	
0.76	
-	
<u>\$1,629.36</u> *	

4. Example calculation of gain or loss recognized on cash received instead of a fractional share or fractional warrant:

	Fractional Unit	Sample Data
• Cash received in lieu of a fractional KMI common share	0.5410	\$17.38 cash in lieu
• Cash received in lieu of a fractional KMI warrant	0.4000	\$0.76 cash in lieu

a. Gain or Loss Calculation:

	Cash in Lieu	Less Tax Basis <sup>2</sup>	Gain (Loss)
i. KMI Class P fractional unit of common stock, deemed received and deemed sold	\$17.38	(\$17.38)	\$0.00
ii. KMI fractional stock warrant, deemed received and deemed sold	\$0.76	(0.76)	\$0.00
iii. Net gain (Loss)	<u>\$18.14</u>	<u>(\$18.14)</u>	<u>\$0.00</u>

<sup>2</sup> Tax basis on fractional shares and fractional warrants, deemed received and sold, is calculated above.

Mixed Consideration Election

STMT 7

KMI Stock and KMI Warrant Tax Basis Calculations and Gain on Exchange Calculation, if any, Example

May 25, 2012

Example Calculation based on "as if" data in a Mixed Consideration Election Scenario

Legend: Legal Name	Reference
Kinder Morgan, Inc.	"KMI"
El Paso Corporation (f/k/a Sirius Holdings Merger Corporation)	"New El Paso"

This information does not constitute tax advice, nor does it purport to be complete or to describe the consequences that may apply to particular categories of shareholders. Shareholders are urged to consult their own legal, financial or tax advisor with respect to their individual tax consequences relating to this organizational action. For additional information regarding the U.S. income tax consequences resulting from the merger consideration received in the Second Merger, refer to the Kinder Morgan/El Paso Information Statement/Proxy Statement/Prospectus - Proposed Merger dated January 31, 2012.

I. PER SHARE DATA:

Common Information: Merger consideration received (other than cash in lieu of a fractional share or fractional warrant) -

In exchange for the surrender of each share of New El Paso common stock, the holder that chose the mixed consideration election received the following merger consideration:

Per share merger consideration (common to each holder)	- Units Received-	5/25/2012 per Unit Value <sup>1</sup>	Consideration Received	FMV Allocation Ratios of Securities Received
A. Cash (without interest)		\$14.65	\$14.65	
B. KMI Class P common stock (KMI Ticker)	0.4187	\$32.12	\$13.45	91.67%
C. Warrant to purchase one share of KMI Class P common stock (KMI/WS Ticker)	0.6400	\$1.91	\$1.22	8.33%
D. Total consideration received in exchange for the surrender of one share of New El Paso			\$29.32	100.00%

<sup>1</sup> Per Unit Value is the average high and low trading prices for the day of the Second Merger, May 25, 2012.

II. EXAMPLE- MIXED CONSIDERATION ELECTION

A. Information specific to the holder of New El Paso stock (information provided for purposes of illustrating an example only)

- Number of New El Paso common shares held prior to merge and surrendered
- Basis in shares

Sample Data
110 shares
\$20.00 tax basis/share

B. Calculation example based on sample data above

1. Calculation of merger consideration received:

Per share merger consideration (example)	New El Paso Shares Held prior to Second Merger	- Units Received incl. fractional-	5/25/2012 per Unit Value	Consideration Received	FMV Allocation Ratios of Securities Received	Whole Shares & Warrants Recvd	Fractional Shares & Warrants
a. Cash (without interest)	110		\$14.65	\$1,611.50			
b. KMI Class P common stock (KMI)	110	46.0570	\$32.12	1,479.35	91.67%	46	0.0570
c. Warrant to purchase one share of KMI Class P common stock. (KMI/WS)	110	70.4000	\$1.91	134.46	8.33%	70	0.4000
d. Total consideration received in exchange for the surrender of one share of New El Paso				\$3,225.31	100.00%	116	0.4570

2. Example calculation of gain, if any, (but not loss) to recognize: Example continued based on factors above.

Lesser of a & b:

a. Gain, if any, is the net amount of the following components:

- Cash (other than cash in lieu of a fractional share or fractional warrant) received
- Plus fair market value of the Kinder Morgan Class P common stock and warrants received

Amount Lesser of:

\$1,611.50

	- Units Received-	FMV/unit	FMV of KMI Units
KMI common stock	46.057	\$32.12	\$1,479.35
KMI warrants	70.400	\$1.91	134.46
	116.457		\$1,613.81

iii. Minus adjusted tax basis of the New El Paso shares surrendered

Units Surrendered	Tax Basis/Unit
110	\$20.00

(2,200.00)

iv. Net amount

\$1,025.31

b. Cash (other than cash in lieu of a fractional share or fractional warrant) received

\$1,611.50

c. Recognize gain (but not loss) equal to the lesser of:

\$1,025.31

This example is based on a May 25, 2012 merger consideration payment date and thus the KMI stock and warrant valuations are based on values for May 25, 2012. See Stmt 2 (including Footnote 3) for instructions regarding different payment dates.

3. Example calculation of tax basis in KMI common stock and warrants received (including any fractional share or fractional warrant deemed received and sold): Example continued, based on factors above.

a. Aggregate basis in stock and warrants received is equal to the net amount of the following components:

i. Aggregate adjusted tax basis in the New El Paso common stock surrendered (see above)	\$2,200.00
ii. Minus cash (other than cash in lieu of a fractional share or fractional warrant) received	(1,611.50)
iii. Plus amount of gain, if any, recognized on the exchange (excluding any gain recognized with respect to cash received in lieu of a fractional share or fractional warrant)	1,025.31
iv. Aggregate basis in KMI stock and KMI warrants received (including any fractional share or fractional warrant deemed received and sold)	<u>\$1,613.81</u> *

b. Aggregate tax basis is then allocated to the KMI Class P common stock and warrants based on their relative market values:

				Units Received		Fractional Units Deemed Received and Sold	
				Tax Basis	Total Units	Tax Basis	Total Units
i. KMI Class P common stock	\$1,613.81	x	91.67%	\$1,477.55	46	\$1.83	0.0570
ii. KMI warrants	\$1,613.81	x	8.33%	\$133.67	70	\$0.76	0.4000
iii. Total tax basis in KMI common stock and warrants received				<u>\$1,611.22</u>	<u>116</u>	<u>\$2.59</u>	<u>0.4570</u>

c. Summary of aggregated tax basis

	Units	Tax Basis Summary
i. KMI Class P common stock, received	46	\$1,477.55
ii. KMI warrants, received	70	133.67
iii. KMI Class P fractional unit of common stock, deemed received and deemed sold	0.0570	1.83
iv. KMI fractional stock warrant, deemed received and deemed sold	0.4000	0.76
v. Rounding difference (to include in one of the components above)		-
vi. Total aggregated tax basis, calculated above		<u>\$1,613.81</u> *

4. Example calculation of gain or loss recognized on cash received instead of a fractional share or fractional warrant:

	Fractional Unit	Sample Data
• Cash received in lieu of a fractional KMI common share	0.0570	\$1.83 cash in lieu
• Cash received in lieu of a fractional KMI warrant	0.4000	\$0.76 cash in lieu

a. Gain or Loss Calculation:

	Cash in Lieu	Less Tax Basis <sup>2</sup>	Gain (Loss)
i. KMI Class P fractional unit of common stock, deemed received and deemed sold	\$1.83	(\$1.83)	\$0.00
ii. KMI fractional stock warrant, deemed received and deemed sold	\$0.76	(0.76)	\$0.00
iii. Net gain (Loss)	<u>\$2.59</u>	<u>(\$2.59)</u>	<u>\$0.00</u>

<sup>2</sup> Tax basis on fractional shares and fractional warrants, deemed received and sold, is calculated above.