

Kayne Anderson Energy Development Company Increases Quarterly Distribution by 22.6% to \$0.38 per Share for Q2 2011 and Announces NAV of \$22.75 per Share as of May 31, 2011

Houston, TX – June 30, 2011 –Kayne Anderson Energy Development Company (the “Company”) (NYSE:KED) announced today its quarterly distribution of \$0.38 per share for the quarter ended May 31, 2011, representing an increase of 22.6% from the prior quarter’s distribution of \$0.31 per share. The Company also announced today its unaudited net asset value (NAV) of \$234 million or \$22.75 per share as of May 31, 2011, representing an increase of \$0.87 per share (4.0%) from the Company’s NAV of \$21.88 as of February 28, 2011.

The distribution will be payable on July 22, 2011 to common stockholders of record on July 13, 2011, with an ex-dividend date of July 11, 2011. It is anticipated that none of this distribution will be treated as a return of capital for tax purposes. The final determination of such amount will be made in early 2012 when the Company can determine its earnings and profits. The final tax status of the distribution may differ substantially from this preliminary information.

“We are pleased to increase our distribution this quarter by \$0.07 per share to \$0.38 per share, which is considerably higher than our prior guidance of \$0.33 to \$0.34 per share,” said Kevin McCarthy, Chairman, CEO and President. “The increase is a result of several positive developments for KED. First, we successfully redeployed the proceeds from the sale of International Resource Partners in public MLPs and quoted debt investments. Second, the Company’s net distributable income increased as a result of greater than expected contributions from ProPetro Services, Inc. and Direct Fuels Partners, L.P. This increased contribution was driven by significantly improved operating results at both companies. We believe this distribution level is sustainable based on our expected results of the current portfolio.”

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The Company is a non-diversified, closed-end investment company registered under the Investment Company Act of 1940. The Company's investment objective is to generate both current income and capital appreciation primarily through equity and debt investments. The Company will seek to achieve this objective by investing at least 80% of its net assets together with the proceeds of any borrowings (its "total assets") in securities of companies that derive the majority of their revenue from activities in the energy industry, including: (a) Midstream Energy Companies, which are businesses that operate assets used to gather, transport, process, treat, terminal and store natural gas, natural gas liquids, propane, crude oil or refined petroleum products; (b) Upstream Energy Companies, which are businesses engaged in the exploration, extraction and production of natural resources, including natural gas, natural gas liquids and crude oil, from onshore and offshore geological reservoirs; and (c) Other Energy Companies, which are businesses engaged in owning, leasing, managing, producing, processing and sale of coal and coal reserves; the marine transportation of crude oil, refined petroleum products, liquefied natural gas, as well as other energy-related natural resources using tank vessels

and bulk carriers; and refining, marketing and distributing refined energy products, such as motor gasoline and propane to retail customers and industrial end-users.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This press release contains "forward-looking statements" as defined under the U.S. federal securities laws. Generally, the words "believe," "expect," "intend," "estimate," "anticipate," "project," "will" and similar expressions identify forward-looking statements, which generally are not historical in nature. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to materially differ from the Company's historical experience and its present expectations or projections indicated in any forward-looking statement. These risks include, but are not limited to, changes in economic and political conditions; regulatory and legal changes; energy industry risk; commodity pricing risk; leverage risk; valuation risk; non-diversification risk; interest rate risk; tax risk; and other risks discussed in the Company's filings with the SEC. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to publicly update or revise any forward-looking statements made herein. There is no assurance that the Company's investment objectives will be attained.

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