

Kayne Anderson Energy Development Company Announces Sale of International Resource Partners LP

Houston, TX – March 6, 2011 – (NYSE:KED) Kayne Anderson Energy Development Company (the “Company”) announced today that one of its portfolio companies, International Resource Partners LP (“IRP”), has entered into a definitive agreement to sell all its partnership interests to James River Coal Company (NASDAQ: JRCC) for total consideration of \$475 million in cash, subject to customary closing adjustments. The transaction is expected to close within the first half of 2011, subject to the satisfaction of various closing conditions, including the expiration or termination of any applicable waiting periods under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended.

The Company estimates that its share of the net proceeds from the sale will be approximately \$99.6 million, of which approximately \$93.3 million will be received in cash at closing and approximately \$6.3 million will be held in escrow pending satisfaction of certain post-closing obligations or the expiration of certain time periods. Such escrow will be used to fund any indemnity claims and certain other contingent expenses, if any. As of November 30, 2010, the Company valued its investment in IRP at \$87.8 million.

“We are extremely happy with the outcome of this transaction and we hope to redeploy a significant amount of the after-tax proceeds into similarly structured transactions for private midstream companies. We do not currently have any specific transaction identified, and as a result, we will initially use the after-tax proceeds to repay a portion of our indebtedness and to make additional investments in public MLPs,” stated Kevin McCarthy, Chairman, CEO and President.

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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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