

## Kayne Anderson Midstream/Energy Fund Enters Into \$100 Million Unsecured Revolving Credit Facility

Houston, TX – January 21, 2011 – Kayne Anderson Midstream/Energy Fund, Inc. (the “Fund”) announced today that it has entered into a \$100 million unsecured revolving credit facility with a syndicate of lenders. The facility has a three-year commitment terminating on January 20, 2014.

Outstanding loan balances will accrue interest daily at a rate equal to one-month LIBOR plus 1.75% based on target asset coverage ratios. The interest rate may vary between LIBOR plus 1.75% to LIBOR plus 2.25%, depending on the Fund’s asset coverage ratios. The Fund will pay a fee of 0.35% on any unused amounts of the credit facility. A copy of the new credit agreement is available on the Fund’s website at [www.kaynefunds.com/Kmf\\_othermaterialdocuments.htm](http://www.kaynefunds.com/Kmf_othermaterialdocuments.htm).

The Fund currently has no borrowings under the facility, but anticipates funding investments with borrowings from this facility over the next two months.

“We are very pleased to have this credit facility in place. This represents another milestone for the Fund – it has successfully invested the proceeds from its IPO and will soon begin funding portfolio investments with leverage,” said Kevin McCarthy, CEO and President. “The Fund’s net asset value per share has increased to \$24.48 as of January 20th, an increase of 2.75% since its IPO.”

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*Kayne Anderson Midstream/Energy Fund, Inc. is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, whose common stock is traded on the New York Stock Exchange. The Fund’s investment objective is to provide a high level of total return with an emphasis on making quarterly cash distributions to its stockholders by investing at least 80% of its total assets in securities of companies in the Midstream/Energy Sector, consisting of: (a) Midstream Master Limited Partnerships (“MLPs”), (b) Midstream Companies, (c) Other MLPs and (d) Other Energy Companies. The Fund anticipates that the majority of its investments will consist of investments in Midstream MLPs and Midstream Companies. See Glossary of Key Terms on page ii of the Prospectus for definitions of certain key terms.*

*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 differ from the Fund’s historical experience and its present expectations or projections indicated in any forward-looking statements. These risks include, but are not limited to, changes in economic and political conditions; regulatory and legal changes; MLP industry risk; leverage risk; valuation risk; interest rate risk; tax risk; and other risks discussed in the Fund’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 Fund undertakes no obligation to publicly update or revise any forward-looking statements made herein. There is no assurance that the Fund’s investment objective will be attained.*

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