

## Kayne Anderson Midstream/Energy Fund Provides Unaudited Balance Sheet Information and Announces its Net Asset Value at February 28, 2011

HOUSTON, TX – March 4, 2011 – Kayne Anderson Midstream/Energy Fund, Inc. (the “Fund”) (NYSE: KMF) today provided a summary unaudited balance sheet and announced its net asset value as February 28, 2011.

As of February 28, 2011, the Fund’s net assets were \$559 million and its net asset value per share was \$26.23.

**Kayne Anderson Midstream/Energy Fund, Inc.**  
**Balance Sheet**  
**February 28, 2011**  
**(Unaudited)**

	(in millions)	Per Share
Investments	\$ 645.5	\$ 30.30
Repurchase agreements and cash	18.7	0.88
Deposits	0.8	0.04
Accrued income	2.9	0.13
Receivable for securities sold	3.2	0.15
Other assets	1.2	0.06
Total assets	<u>672.3</u>	<u>31.56</u>
Credit facility borrowings	<u>100.0</u>	<u>4.69</u>
Payable for securities purchased	10.3	0.48
Other liabilities	3.3	0.16
Total liabilities	<u>13.6</u>	<u>0.64</u>
Net assets	<u>\$ 558.7</u>	<u>\$ 26.23</u>

The Fund had 21.30 million common shares outstanding as of February 28, 2011.

As of February 28, 2011, equity and debt investments were 83% and 17%, respectively, of the Fund's long-term investments of \$646 million. Long-term investments were comprised of MLPs (24%), Midstream Companies (51%), Other Energy (6%), Other (2%) and Debt (17%).

The Fund's ten largest holdings by issuer at February 28, 2011 were:

	Units (in thousands)	Amounts (\$ millions)	Percent of Long-Term Investments
1. ONEOK, Inc. (Midstream Company)	810	\$52.3	8.1%
2. The Williams Companies, Inc. (Midstream Company)	1,526	46.3	7.2%
3. Buckeye Partners, L.P. (Midstream MLP)	516	31.0	4.8%
4. Kinder Morgan, Inc. (Midstream Company)	938	28.6	4.4%
5. PAA Natural Gas Storage, L.P. (Midstream MLP)	1,210	27.6	4.3%
6. Williams Partners L.P. (Midstream MLP)	459	23.8	3.7%
7. NiSource Inc. (Midstream Company)	1,153	22.1	3.4%
8. Kinder Morgan Management, LLC (Midstream Company)	314	20.6	3.2%
9. CenterPoint Energy, Inc. (Midstream Company)	1,300	20.6	3.2%
10. El Paso Corporation (Midstream Company)	1,002	18.6	2.9%

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*The Fund is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940 whose common stock is traded on the NYSE. 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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