

## **FOR IMMEDIATE RELEASE**

### **Kayne Anderson Energy Total Return Fund, Inc. Increases Quarterly Dividend to 49 Cents Per Share and Provides an Update on Financial Leverage and Interest Rate Hedges**

Los Angeles, CA – (MARKET WIRE) – December 12, 2007 – (NYSE:KYE) On December 11, 2007 Kayne Anderson Energy Total Return Fund, Inc. (the "Fund") declared its quarterly dividend of \$0.49 per share for the period September 1, 2007 to November 30, 2007.

This dividend of \$0.49 per share represents an increase of 4.3% from the prior quarter's dividend, a 10.1% increase from the same quarter last year and a 20.6% increase from the Fund's initial quarterly dividend which was paid on October 14, 2005. It is anticipated that approximately 15% to 25% of this dividend will be from capital gains and less than 10% will be a return of capital. The final determination of such amount will be made in early 2008 when the Fund can determine its earnings and profits. The final tax status of the dividend may differ substantially from this preliminary information.

The dividend will be payable on January 11, 2008 to shareholders of record on December 31, 2007 with an ex-dividend date of December 27, 2007.

As of November 30, 2007, the Fund had total leverage of \$341 million which represented 26.3% of the Fund's total assets. Subsequent to its fiscal year end, the Fund entered into an additional interest rate swap agreement with notional value of \$25 million at a fixed interest rate of 3.85% and a maturity of three years. The \$25 million agreement commenced on December 6, 2007 and increased the total notional value of all interest rate swap agreements to \$235 million or approximately 69% of total leverage (85% including the inherent interest rate hedges derived from the Fund's investments in floating rate debt securities) as of November 30, 2007. As of that date, the Fund's weighted average duration of interest rate swap agreements was 4.1 years, and its weighted average fixed rate was 4.58%.

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 obtain a high total return with an emphasis on current income by investing primarily in securities of companies engaged in the energy industry, principally including publicly-traded energy-related master limited partnerships and limited liability companies taxed as partnerships and their affiliates, energy-related U.S. and Canadian royalty trusts and income trusts and other companies that derive at least 50% of their revenues from operating assets used in, or providing energy-related services for, the exploration, development, production, gathering, transportation, processing, storing, refining, distribution, mining or marketing of natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal.

**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 Fund'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 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 objectives will be attained.

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