

FOR IMMEDIATE RELEASE

Kayne Anderson Energy Development Company Announces Financial Results for the Fiscal Quarter Ended February 28, 2007

HOUSTON, TX - April 11, 2007 - (NYSE:KED) Kayne Anderson Energy Development Company (the "Company") today announced its financial results for the fiscal quarter ended February 28, 2007.

HIGHLIGHTS

- As of February 28, 2007, the Company had invested 75% of its net assets
- Net asset value: \$25.01 per share
- Net investment income: \$1.4 million
- Net realized gains: \$0.9 million
- Net unrealized gains: \$8.1 million
- Net increase in net assets from operations: \$10.4 million
- Number of publicly traded portfolio companies: 30
- Number of private portfolio companies: 9
- On April 5, 2007, the Company declared a dividend of \$0.32 per share for the fiscal quarter ended February 28, 2007.

"We are pleased with our progress in investing a significant portion of the initial public offering proceeds" said Kevin S. McCarthy, Chairman and Chief Executive Officer. "We are evaluating a number of attractive investment opportunities and expect to be fully invested within our original goal of nine months from the IPO."

PORTFOLIO AND INVESTMENT ACTIVITY

As of February 28, 2007, the Company had invested \$188.6 million, or 75%, of its net asset value of \$250.1 million. At February 28, 2007, the Company's long-term investments consisted of 39 portfolio companies (30 publicly traded and 9 private) and totaled 35% in fixed income securities and 65% in equity securities. The Company had \$62.3 million invested in short-term repurchase agreements as of February 28, 2007.

NET ASSET VALUE

On September 21, 2006, the Company completed its initial public offering of 10,000,000 shares of common stock at \$25.00 per share, less an underwriting discount of \$1.59 per share. After underwriting discounts, offering costs and organizational expenses, the Company's net asset value was \$23.32 per share.

As of February 28, 2007, the Company's NAV had increased by 7.2% to \$25.01 per share. The increase in Net Asset Value was due, in large part, to the increase in value of our portfolio of MLP equity securities during the period ending February 28, 2007. Publicly traded MLP equity securities represented approximately 25% of total assets as of February 28, 2007.

DIVIDENDS

On April 5, 2007, the Company declared its second dividend of \$0.32 per common share (for fiscal quarter ended February 28, 2007). This dividend represents an annualized rate of \$1.28 per share or a 5.1% yield on the IPO price. This dividend represents an increase of \$0.10 cents compared to the first dividend of \$0.22 per share and an increase of \$0.04 cents compared to the quarterly dividend rate of \$0.28 per share. The dividend is based on the results of operations for the period ended February 28, 2007, which only includes the partial impact of certain investments made during the period, as well as the interest income on repurchase agreements (remaining initial proceeds) not yet invested. Such results also include net realized gains, after accrual of the incentive management fee, of \$0.7 million.

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RESULTS OF OPERATIONS

Net Investment Income - Net investment income for the fiscal quarter ended February 28, 2007 was \$1.4 million. Investment income was \$2.8 million and consisted primarily of interest income on the Company's fixed income investments and short-term investments in repurchase agreements. The Company earned \$0.9 million in dividends and distributions, substantially all of which were treated as a return of capital. Operating expenses for the period were \$1.4 million, including \$0.7 million of base management fees (net of fee waivers) and accrued incentive management fees of \$0.2 million which related to realized gains.

Net Realized Gains - The Company had net realized gains from its investments of \$0.9 million during the period.

Net Change in Unrealized Gains - The Company had net unrealized gains from its investments of \$8.1 million during the period.

Net Increase in Net Assets Resulting from Operations - The Company's net increase in net assets resulting from operations for the period was \$10.4 million. This increase was composed of the change in net unrealized gains of \$8.1 million, net investment income of \$1.4 million and net realized gains of \$0.9 million.

LIQUIDITY AND CAPITAL RESOURCES

The Company had approximately \$62.3 and \$66.6 million invested in short-term repurchase agreements as of February 28, 2007 and April 9, 2007, respectively. The Company is currently in discussions with several commercial banks regarding the establishment of a \$100 million credit facility.

CONFERENCE CALL

The Company will host a conference call at 10:00 a.m., Eastern time, on Thursday, April 12, 2007 to discuss its results. All interested parties are welcome to participate. You can access the conference call by dialing (866) 277-1184 approximately 5-10 minutes prior to the call. International callers should dial (617) 597-5360. All callers should reference "Passcode 13651185."

ABOUT KAYNE ANDERSON ENERGY DEVELOPMENT COMPANY

The Company is a non-diversified, closed-end investment company that elected to be treated as a business development company 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 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.

AVAILABLE INFORMATION

The Company's filings with the Securities and Exchange Commission, press releases and other financial information are available on the Company's website at www.kaynefunds.com.

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KAYNE ANDERSON ENERGY DEVELOPMENT COMPANY CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES (amounts in 000's, except share and per share amounts)

	February 28, 2007 (Unaudited)	November 30, 2006
ASSETS		
Investments, at fair value (Cost – \$172,789 and \$98,780, respectively)	\$ 188,644	\$106,545
Repurchase agreement (Cost – \$62,337 and \$135,134, respectively)	62,337	135,134
Total investments (Cost – \$235,126 and \$233,914, respectively)	250,981	241,679
Deposits with brokers	116	101
Receivable for securities sold	26	567
Interest, dividends and distributions receivable	939	931
Receivable for offering costs	-	200
Prepaid expenses and other assets	114	126
Total Assets	252,176	243,604
LIABILITIES		
Investment management fee payable, net of fee waivers	925	571
Accrued directors' fees and expenses	71	63
Accrued expenses and other liabilities	1,066	1,056
Total Liabilities	2,062	1,690
NET ASSETS	\$ 250,114	\$ 241,914
NET ASSETS CONSIST OF		
Common stock, \$0.001 par value (10,000,060 shares issued and outstanding, and 200,000,000 shares authorized)	\$ 10	\$ 10
Paid-in capital	233,216	233,216
Undistributed net investment income	87	864
Accumulated realized gains on investments	960	59
Net unrealized gains on investments	15,841	7,765
NET ASSETS	\$ 250,114	\$ 241,914
NET ASSET VALUE PER SHARE	\$ 25.01	\$ 24.19

KAYNE ANDERSON ENERGY DEVELOPMENT COMPANY CONSOLIDATED STATEMENT OF OPERATIONS FOR THE THREE MONTHS ENDED FEBRUARY 28, 2007 (UNAUDITED) (amounts in 000's)

INVESTMENT INCOME	
Income	
Dividends and distributions	\$879
Return of capital	(791)
Net dividends and distributions	88
Interest	2,702
Total Investment Income	2,790

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Expenses

Base investment management fees 1,058
Incentive investment management fees 177
Professional fees 156
Reports to stockholders 83
Directors' fees 63
Administration fees 56
Insurance 38
Custodian fees 15
Other expenses 65
Total Expenses – Before Investment Management Fee Waivers 1,711
Investment management fee waivers (303)
Total Expenses 1,408
Net Investment Income - before income tax benefit 1,382
Current income tax benefit 41
Net Investment Income 1,423

REALIZED AND UNREALIZED GAINS

Net Realized Gains
Investments 901
Net Realized Gains 901
Net Change in Unrealized Gains
Investments 8,090
Deferred income tax expense (14)
Net Change in Unrealized Gains 8,076
Net Realized and Unrealized Gains 8,977
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS \$10,400

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS: This press release contains statements, estimates or projections that may constitute "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 Company's historical experience and its present expectations or projections. 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 update or revise any forward-looking statements. There is no assurance that the Company's investment objective will be attained.

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