

## Kayne Anderson Energy Development Company Provides Unaudited Balance Sheet Information and Announces its Net Asset Value and Asset Coverage Ratios at December 31, 2016

Houston, TX – January 4, 2017 – Kayne Anderson Energy Development Company (the “Company”) (NYSE: KED) today provided a summary unaudited statement of assets and liabilities and announced its net asset value and asset coverage ratios under the Investment Company Act of 1940 (the “1940 Act”) as of December 31, 2016.

As of December 31, 2016, the Company’s net assets were \$214 million, and its net asset value per share was \$19.96. As of December 31, 2016, the Company’s asset coverage ratio under the 1940 Act with respect to senior securities representing indebtedness was 414% and the Company’s asset coverage ratio under the 1940 Act with respect to total leverage (debt and preferred stock) was 312%.

**Kayne Anderson Energy Development Company**  
**Statement of Assets and Liabilities**  
**December 31, 2016**  
**(Unaudited)**

	(in millions)	Per Share
Investments	\$ 336.1	\$ 31.40
Cash and cash equivalents	8.8	0.82
Deposits	0.1	0.01
Accrued income	0.1	0.01
Income tax receivable	10.9	1.02
Other assets	0.9	0.08
Total assets	<u>356.9</u>	<u>33.34</u>
Term loan and credit facility	76.0	7.10
Preferred stock	25.0	2.33
Total leverage	<u>101.0</u>	<u>9.43</u>
Other liabilities	0.8	0.08
Deferred income tax liability	41.4	3.87
Total liabilities	<u>42.2</u>	<u>3.95</u>
Net assets	<u>\$ 213.7</u>	<u>\$ 19.96</u>

The Company had 10,704,709 common shares outstanding as of December 31, 2016.

Long-term investments were comprised of Midstream MLP (90%), Midstream Company (7%) and Shipping MLP (3%).

The Company's ten largest holdings by issuer at December 31, 2016 were:

	<u>Units / Shares</u> <u>(in thousands)</u>	<u>Amount</u> <u>(\$ millions)</u>	<u>Percent of</u> <u>Long-Term</u> <u>Investments</u>
1. Energy Transfer Partners, L.P. (Midstream MLP)*	938	\$33.6	10.0%
2. Williams Partners L.P. (Midstream MLP)	836	31.8	9.5%
3. ONEOK Partners, L.P. (Midstream MLP)	612	26.3	7.8%
4. Western Gas Partners, LP (Midstream MLP)**	428	25.4	7.5%
5. Enterprise Products Partners L.P. (Midstream MLP)	851	23.0	6.8%
6. Targa Resources Corp. (Midstream Company)	362	20.3	6.0%
7. Sunoco Logistics Partners L.P. (Midstream MLP)*	604	14.5	4.3%
8. MPLX LP (Midstream MLP)	373	12.9	3.8%
9. Plains GP Holdings, L.P. (Midstream MLP)	345	12.0	3.6%
10. Plains All American Pipeline, L.P. (Midstream MLP)	356	11.5	3.4%

\* On November 21, 2016, Energy Transfer Partners, L.P. and Sunoco Logistics Partners L.P. announced an agreement to combine in a unit-for-unit merger.

\*\* Includes 294 common units (\$17.3 million) and 134 preferred units (\$8.1 million).

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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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