

## Kayne Anderson Midstream/Energy Fund Provides Unaudited Balance Sheet Information and Announces its Net Asset Value and Asset Coverage Ratios at January 31, 2015

HOUSTON, TX – February 2, 2015 – Kayne Anderson Midstream/Energy Fund, Inc. (the “Fund”) (NYSE: KMF) 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 January 31, 2015.

As of January 31, 2015, the Fund’s net assets were \$750 million and its net asset value per share was \$34.62. As of January 31, 2015, the Fund’s asset coverage ratio under the 1940 Act with respect to senior securities representing indebtedness was 439% and the Fund’s asset coverage ratio under the 1940 Act with respect to total leverage (debt and preferred stock) was 310%.

**Kayne Anderson Midstream/Energy Fund, Inc.**  
**Statement of Assets and Liabilities**  
**January 31, 2015**  
**(Unaudited)**

	(in millions)	Per Share
Investments	\$ 1,109.7	\$ 51.22
Cash	1.6	0.07
Deposits	0.3	0.01
Accrued income	7.8	0.36
Receivable for securities sold	0.7	0.03
Other assets	3.6	0.17
Total assets	1,123.7	51.86
Credit facility / Term loan	17.0	0.78
Senior notes	235.0	10.85
Preferred stock	105.0	4.85
Total leverage	357.0	16.48
Payable for securities purchased	8.3	0.38
Other liabilities	8.3	0.38
Total liabilities	16.6	0.76
Net assets	\$ 750.1	\$ 34.62

The Fund had 21,663,136 common shares outstanding as of January 31, 2015.

As of January 31, 2015, equity and debt investments were 91% and 9%, respectively, of the Fund's long-term investments of \$1.1 billion. Long-term investments were comprised of Midstream Company (49%), MLP and MLP Affiliate (34%), Other Energy (7%), Other (1%) and Debt (9%).

The Fund's ten largest holdings by Issuer at January 31, 2015 were:

		Units (in thousands)	Amounts (\$ millions)	Percent of Long-Term Investments
1.	Kinder Morgan, Inc. (Midstream Company)	3,413	\$140.1	12.6%
2.	Enbridge Energy Management, L.L.C. (Midstream MLP)	2,687	100.7	9.1%
3.	The Williams Companies, Inc. (Midstream Company)	2,063	90.5	8.2%
4.	Plains GP Holdings, L.P. (Midstream Company)	2,451	63.9	5.8%
5.	ONEOK, Inc. (Midstream Company)	987	43.4	3.9%
6.	Regency Energy Partners LP (Midstream MLP)	1,340	34.4	3.1%
7.	Golar LNG Partners LP (Midstream Company)	1,047	28.4	2.6%
8.	Energy Transfer Partners, L.P. (Midstream MLP)	448	27.5	2.5%
9.	Enbridge, Inc. (Midstream Company)	498	24.1	2.2%
10.	Dynagas LNG Partners L.P. (Midstream Company)	1,296	24.1	2.2%

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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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