Kayne Anderson
Midstream/Energy Fund

Kayne Anderson Midstream/Energy Fund Increases its Quarterly Distribution to $0.435 per Share for Q3 2012

Houston, TX – September 28, 2012 – Kayne Anderson Midstream/Energy Fund, Inc. (the "Fund") (NYSE: KMF) announced today a quarterly distribution of $0.435 per share for the quarter ended August 31, 2012. This distribution represents an increase of 1.2% from the prior quarter's distribution of $0.43 per share and an increase of 6.1% from the distribution for the quarter ended August 31, 2011.

The distribution will be payable on October 26, 2012 to common stockholders of record on October 17, 2012, with an ex-dividend date of October 15, 2012. It is anticipated that none of the distribution will be treated as a return of capital for tax purposes. The final determination of such amount will be made in early 2013 when the Fund can determine its earnings and profits. The final tax status of the distribution may differ substantially from this preliminary information.

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Kayne Anderson Midstream/Energy Fund, Inc. is a non-diversified, closed-end management investment company registered under the Investment Company Act of 1940, whose common stock is traded on the New York Stock Exchange. 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.

CONTACT:
KA Fund Advisors, LLC
Monique Vo, 877-657-3863
http://www.kaynefunds.com