

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

HOUSTON, TX – January 4, 2016 – 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 December 31, 2015.

As of December 31, 2015, the Fund’s net assets were \$276 million and its net asset value per share was \$12.65. As of December 31, 2015, the Fund’s asset coverage ratio under the 1940 Act with respect to senior securities representing indebtedness was 369% and the Fund’s asset coverage ratio under the 1940 Act with respect to total leverage (debt and preferred stock) was 249%.

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

	(in millions)	Per Share
Investments	\$ 449.9	\$ 20.64
Cash	18.6	0.85
Deposits	0.3	0.01
Accrued income	2.2	0.10
Receivable for securities sold	0.2	0.01
Other assets	2.2	0.10
Total assets	473.4	21.71
Senior notes	125.0	5.73
Preferred stock	60.0	2.75
Total leverage	185.0	8.48
Distribution payable	9.8	0.45
Other liabilities	2.8	0.13
Total liabilities	12.6	0.58
Net assets	\$ 275.8	\$ 12.65

The Fund had 21,799,338 common shares outstanding as of December 31, 2015.

As of December 31, 2015, equity and debt investments were 87% and 13%, respectively, of the Fund's long-term investments of \$450 million. Long-term investments were comprised of MLP and MLP Affiliate (42%), Midstream Company (42%), Other Energy (1%), Other (2%) and Debt (13%).

The Fund's ten largest holdings by issuer at December 31, 2015 were:

		Units / Shares (in thousands)	Amounts (\$ millions)	Percent of Long-Term Investments
1.	Enbridge Energy Management, L.L.C. (Midstream MLP)	2,074	\$46.3	10.3%
2.	The Williams Companies, Inc. (Midstream Company) *	1,169	30.0	6.7%
3.	Plains GP Holdings, L.P. (Midstream Company)	2,722	25.7	5.7%
4.	ONEOK Partners, L.P. (Midstream MLP)	778	23.4	5.2%
5.	Energy Transfer Partners, L.P. (Midstream MLP)	608	20.5	4.6%
6.	Kinder Morgan, Inc. (Midstream Company)	1,349	20.1	4.5%
7.	ONEOK, Inc. (Midstream Company)	776	19.1	4.3%
8.	Spectra Energy Corp. (Midstream Company)	658	15.8	3.5%
9.	Dynagas LNG Partners LP (Midstream Company)	1,296	12.6	2.8%
10.	Enterprise Products Partners L.P (Midstream MLP)	466	11.9	2.7%

\* On September 28, 2015, Energy Transfer Equity, L.P. ("ETE") announced an agreement to combine with The Williams Companies, Inc. ("WMB"). WMB is the general partner of Williams Partners L.P. ("WPZ"). As of December 31, 2015, the Fund owned 98 units (\$2.7 million) of WPZ and did not hold any ETE units.

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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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