

Kayne Anderson Midstream/Energy Fund Announces Distribution of \$0.35 per Share for Q1 2016

Houston, TX – March 30, 2016 – Kayne Anderson Midstream/Energy Fund, Inc. (the “Fund”) (NYSE: KMF) announced today its quarterly distribution of \$0.35 per share for the quarter ended February 29, 2016. The distribution will be payable on April 22, 2016 to common stockholders of record on April 15, 2016, with an ex-dividend date of April 13, 2016.

“The board has elected to reduce the quarterly distribution from \$0.45 per share to \$0.35 per share, in light of continued weak conditions in the energy markets,” said Kevin McCarthy, CEO of the Fund. “In the past quarter, our net distributable income (NDI) declined due the effects of further deleveraging during January and February (where lower rate leverage has been repaid by selling higher rate securities) as well as significantly lower call writing activities. During the current market downturn, we believe it is in the best interest of our shareholders to curtail our call writing activities and, as a result, we will set our distribution policy based on the assumption that no call options will be written. The board of directors intends to review this policy as market conditions improve.”

The Fund estimates that 100% of this distribution will be treated as a return of capital for tax purposes. This estimate is based on the Fund’s anticipated earnings and profits for fiscal 2016 and its accumulated earnings and profits as of February 29, 2016 (including gains and losses on sales of securities during the three months ended February 29, 2016). The Fund’s estimate does not include a projection of gains or losses on the sale of securities for the remainder of fiscal 2016. The final determination of the tax character of the distribution will be made in early 2017 when the Fund can determine its actual earnings and profits for the full year (including gains and losses on the sale of securities for the remainder of fiscal 2016) and 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.*

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