

Kayne Anderson Energy Development Company - (CUSIP: 48660Q102)

2008 Form 1099- DIV Dividends & Distributions Information

- Stockholders holding shares as the record dates below should receive a 2008 Form 1099 – DIV.
- Although stockholders as of December 31, 2007 received the \$0.41 per share dividend during January 2008, the dividend should not be included in 2008 Form 1099 – DIV and should have been included in 2007 Form 1099 – DIV.
- Example 1: Stockholder X owns one share during the entire calendar year of 2008. Stockholder X received \$1.665 of dividends/distributions during calendar year 2008, of which only \$1.255 appears on the 2008 Form 1099-DIV. Stockholder X should receive a 2008 Form 1099 – DIV including \$1.255 of Non-dividend Distributions (Box 3).
- Example 2: Stockholder X purchased one share on October 14, 2008 (held shares as of the October 17 record date) and received \$0.42 of dividends/distributions during October 2008. Stockholder X should receive a 2008 Form 1099 – DIV including \$0.42 of Non-dividend Distributions (Box 3).

Record Date	Ex-Dividend Date	Payable Date	Total Distribution Per Share	Year Included in Shareholders' Income			Box 1a Total	Box 1b Total
				2006	2007	2008	Ordinary Dividends	Qualified Dividends
4/18/2008	4/16/2008	5/1/2008	\$0.4150			\$0.4150		
7/18/2008	7/16/2008	7/31/2008	\$0.4200			\$0.4200		
10/17/2008	10/15/2008	10/30/2008	\$0.4200			\$0.4200		
			\$1.2550			\$1.2550		

Record Date	Box 2a Total Capital Gain Distr.	Box 2b Unrecap Sec. 1250 Gain	Box 2c Section 1202 Gain	Box 2d Collectibles (28%) Gain	Box 3 Nondividend Distributions	Box 6 Foreign Tax Paid	Box 8 Cash Liquidation Distr	Box 9 Noncash Liquidation Distr	Exempt Interest Dividends
4/18/2008					\$0.4150				
7/18/2008					\$0.4200				
10/17/2008					\$0.4200				
					\$1.2550				

- Non-dividend Distributions (Box 3) are treated as a return of capital for tax purposes (i.e., not as taxable income) and reduce the costs basis of shares owned.