

Reaves Utility Income Fund
1290 Broadway, Suite 1100
Denver, CO 80203
1-800-644-5571

PRESS RELEASE
October 29, 2008
Contact: Ned Burke (303-623-2577)

**Reaves Utility Income Fund Announces Decision
To Suspend Efforts to Redeem Auction Market Preferred Shares**

Denver, Colorado. Reaves Utility Income Fund (AMEX: UTG) (the “Fund”) announced today that, in light of the current and continuing adverse credit market conditions, it was not able to secure its proposed credit facility that would have enabled the Fund to redeem its outstanding auction market preferred shares (“AMPS”). The Fund continues to evaluate options that would allow it to redeem its AMPS.

The Reaves Utility Income Fund

The Fund is a closed-end fund with an investment objective of providing a high level of after-tax income and total return consisting primarily of tax-advantaged dividend income and capital appreciation. More information on the Reaves Utility Income Fund can be found at www.utilityincomefund.com or call 1-800-644-5571.

W. H. Reaves & Company, Inc.

W. H. Reaves & Company, Inc. is a New Jersey-based investment advisory firm specializing in the utility and energy sectors and, as of September 30, 2008, had approximately \$2.3 billion in total assets under management.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, which contains this and other information, visit www.utilityincomefund.com or call 1-800-644-5571. Read the prospectus carefully before investing.

The Reaves Utility Income Fund is a closed-end fund and closed-end funds do not continuously issue shares for sale as open-end mutual funds do. Since the initial public offering, the Fund now trades in the secondary market. Investors wishing to buy or sell shares need to place orders through an intermediary or broker. The share price of a closed-end fund is based on the market’s value.