

**REAVES UTILITY INCOME FUND**

(NYSE Alternext US: UTG)

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FOR IMMEDIATE RELEASE

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**THE REAVES UTILITY INCOME FUND  
ANNOUNCES REGULAR MONTHLY DIVIDEND OF \$0.115 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE Alternext US: UTG) today announced the next three monthly dividends at a rate of \$0.115 per common share per month, unchanged from the per share rate paid for the previous quarter. The dividend represents an annualized yield of 11.8% based on the current market price. As of April 3, 2009, the Fund’s market price was \$11.70 per share and its net asset value was \$12.52.

A portion of the distribution may be treated as paid from sources other than net income, including but not limited to short-term capital gain, long-term capital gain and return of capital. The final determination of the source of all distributions in 2009, including the percentage of qualified dividend income, will be made after year-end.

Not less than eighty percent of the Fund’s assets will continue to be invested in the securities of utility companies. As a policy, the Fund continues to strive to provide a high level of after-tax income and total return consisting primarily of tax-advantaged dividend income and capital appreciation.

Ronald Sorenson, CEO, Chief Investment Officer of W. H. Reaves, and portfolio manager of the Fund, noted recently that he still expects most of the companies owned by the Fund to maintain their dividends in the coming year. Many, like AT&T, Duke Energy, and Progress Energy (each of which represented approximately 5% of the Fund’s holdings as of 3/31/09), he thinks, are likely to increase them. Sorenson pointed out that many of the companies that recently cut their dividends are financials with fundamentally flawed business models or industrials subject to rapidly deteriorating global demand. “Utilities and telecoms, on the other hand”, Sorenson added, “provide largely non-discretionary services. Demand for these services may decline, and earnings may be less than we expected six months ago, but the fundamental ability of these companies to generate profit is not significantly diminished.”

“Moreover”, he noted, “we invest mostly in companies with strong balance sheets, which help them to sustain their dividends and give them access to credit markets even in these difficult times.”

The following dates apply to the upcoming dividends that have been declared:

Ex-Distribution Date: April 15, 2009

Record Date: April 17, 2009

Payable Date: April 30, 2009

Ex-Distribution Date: May 18, 2009

Record Date: May 20, 2009

Payable Date: May 29, 2009

Ex-Distribution Date: June 17, 2009  
Record Date: June 19, 2009  
Payable Date: June 30, 2009

**The Reaves Utility Income Fund**

The investment objective of the Fund is to provide a high level of income and total return consisting primarily of tax-advantaged dividend income and capital appreciation. There were approximately \$534 million of total assets under management and 22.7 million common shares outstanding as of April 3, 2009.

**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](http://www.utilityincomefund.com) or call 1-800-644-5571. Read the prospectus carefully before investing or sending money.**

*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.*

*Forward-looking statements are based on information that is available on the date hereof, and neither the fund manager nor any other person affiliated with the fund manager has any duty to update any forward-looking statements. Important factors that could affect actual results to differ from these statements include, among other factors, material, negative changes to the asset class and the actual composition of the portfolio.*

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