

REAVES UTILITY INCOME FUND
(NYSE Amex: UTG)

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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**THE REAVES UTILITY INCOME FUND
ANNOUNCES IMPENDING RETIREMENT OF WILLIAM H. REAVES**

Denver, Colorado – The Reaves Utility Income Fund (NYSE Amex: UTG) today announced that William H. Reaves, founder of the Fund’s investment adviser, W.H. Reaves & Co., Inc., and one of the Fund’s portfolio managers, has announced his intention to retire as of May 31, 2009. Ronald Sorenson, CEO and Chief Investment Officer of W.H. Reaves, commented “Bill has truly been a research and investment pioneer in the utility sector. He was one of the very few to recognize the potential investment returns to be achieved from the compounding of dividend growth and reinvestment, and moderate, but relatively predictable, earnings growth of regulated utilities. Bill has left an enduring legacy in the firm and from his efforts during more than 50 years in the utility industry.”

The Fund will continue to be led by Mr. Sorenson.

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 \$565 million of total assets under management and 22.7 million common shares outstanding as of May 1, 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 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.

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