

**REAVES UTILITY INCOME FUND**  
(NYSE Amex: UTG)

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**PRESS RELEASE**

FOR IMMEDIATE RELEASE  
December 4, 2009

**UTG AMPS CONTINUE 'AAA' RATING  
WITH STANDARD & POOR'S RATING SERVICES**

Denver, Colorado – The Reaves Utility Income Fund (NYSE Amex: UTG) announced that effective November 23, 2009, the Fund's auction market preferred shares ("AMPS") are no longer rated by Fitch Ratings. The Fund's AMPS continue to maintain a 'AAA' rating with Standard & Poor's Rating Services.

**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 \$664 million of total assets under management and 22.7 million common shares outstanding as of December 2, 2009.

**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, 2009, had approximately \$1.5 billion in total assets under management.

**Forward-Looking Statements**

This press release and other statements that Reaves Utility Income Fund (the "Fund") may make may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which reflect the Fund's current views with respect to, among other things, its operations and financial performance. You can identify these forward-looking statements by the use of words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should," "seeks," "approximately," "predicts," "intends," "plans," "estimates," "anticipates" or the negative versions of these words or other comparable words. Such forward-looking statements are subject to various risks and uncertainties. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. The Fund undertakes no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. The following factors, among others, could cause actual results to differ materially from forward-looking statements: the ability of the Fund to maintain its 'AAA' rating with Standard & Poor's Rating Services on its auction market preferred shares.

According to Standard & Poor's Ratings Definition, an obligation rated 'AAA' has the highest rating assigned by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is extremely strong. W.H. Reaves & Company, Inc., Standard & Poor's and Fitch are separate and unaffiliated entities.

**An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus that 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.*

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