

Press Release

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REAVES UTILITY INCOME FUND (AMEX: UTG)

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FOR IMMEDIATE RELEASE
December 26, 2006

DATE CHANGE NOTIFICATION FOR REAVES UTILITY INCOME FUND SPECIAL DIVIDEND

Denver, Colorado – On December 22, 2006, the Reaves Utility Income Fund (AMEX: UTG), declared a long-term capital gain distribution of \$0.0549 per share. The distribution is being paid in addition to its regular monthly dividend to allow the Fund to meet its 2006 distribution requirement for federal excise tax purposes.

The payable, record and Ex-Distribution dates have been changed from those communicated in the press release dated December 22, 2006. The distributions will be payable on January 2, 2007 to shareholders of record on December 29, 2006. The Ex-Distribution date will be December 27, 2006. As of December 22, 2006, the Fund's net asset value was \$26.87 per share and its market price was \$24.48.

The final determination of the sources of all distributions in 2006, including the percentage of qualified dividend income, will be made after year-end.

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 \$858 million of total assets under management and 22.7 million common shares outstanding as of December 21, 2006.

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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