

**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 REGULAR MONTHLY DIVIDEND OF \$0.115 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE Amex: 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 7.0% based on the current market price. As of April 7, 2010, the Fund’s market price was \$19.70 per share and its net asset value was \$19.24 per share.

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 2010, 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, was asked to comment recently on why the Fund has begun to trade at a premium to its net asset value. He responded saying, “Investors have been attracted to the Fund because it has been able to maintain its dividend throughout the economic crisis. And the reason for that is disciplined investment in high-quality companies capable of growing both earnings and dividends coupled with judicious use of leverage.”

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

Ex-Distribution Date: April 19, 2010

Record Date: April 21, 2010

Payable Date: April 30, 2010

Ex-Distribution Date: May 17, 2010

Record Date: May 19, 2010

Payable Date: May 28, 2010

Ex-Distribution Date: June 16, 2010

Record Date: June 18, 2010

Payable Date: June 30, 2010

**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 \$683 million of total assets under management and 22.8 million common shares outstanding as of April 7, 2010.

**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.*

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