

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

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**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

July 9, 2010

**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 7.2% based on the current market price. As of July 8, 2010, the Fund's market price was \$19.09 per share and its net asset value was \$18.36 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 recently commented in the Shareholder Letter (April 30, 2010 Semi-annual Report) that the Fund remains committed to its long-term goal of growing the dividend over time commensurate with the rising earnings power of the Fund's underlying investments.

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

Ex-Distribution Date: July 19, 2010  
Record Date: July 21, 2010  
Payable Date: July 30, 2010

Ex-Distribution Date: August 16, 2010  
Record Date: August 18, 2010  
Payable Date: August 31, 2010

Ex-Distribution Date: September 15, 2010  
Record Date: September 17, 2010  
Payable Date: September 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 \$661 million of total assets under management and 22.8 million common shares outstanding as of July 8, 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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