

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 8.75% based on the current market price. As of October 1, 2009, the Fund’s market price was \$15.78 per share and its net asset value was \$15.94 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 2009, 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, noted recently that the recovery in the equity market during the third quarter provided the opportunity to reposition the portfolio while growing the Fund’s net asset value. “Market volatility combined with increasing equity prices allowed the Fund to realize both short and long term capital gains”, Sorenson said. “Reinvestment of the proceeds of sales in higher-yielding equities trading at depressed valuations resulted in a level of expected annual income from interest and dividends at September 30, 2009 which is currently 10% higher than the expected annual income at June 30, 2009. Our investment focus continues to be companies capable of growing both earnings and dividends.”

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

Ex-Distribution Date: October 19, 2009
Record Date: October 21, 2009
Payable Date: October 30, 2009

Ex-Distribution Date: November 18, 2009
Record Date: November 20, 2009
Payable Date: November 30, 2009

Ex-Distribution Date: December 16, 2009
Record Date: December 18, 2009

Payable Date: December 31, 2009

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 \$607 million of total assets under management and 22.7 million common shares outstanding as of October 1, 2009.

Past performance is no guarantee of future results.

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.

The statements are based on information that is available on the date hereof, and neither the fund manager nor any other person affiliated with the fund manager has any duty to update any forward-looking statements. Important factors that could affect actual results to differ from these statements include, among other factors, material, negative changes to the asset class and the actual composition of the portfolio.

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