

REAVES UTILITY INCOME FUND
(NYSE MKT: UTG)

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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**THE REAVES UTILITY INCOME FUND
ANNOUNCES REGULAR MONTHLY DIVIDEND OF \$0.15125 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE MKT: UTG) announced today the next three monthly dividends at a rate of \$0.15125 per common share per month, unchanged from the per share rate paid for the previous quarter. As of June 30, 2015, the Fund's market price was \$28.67 per share and its net asset value was \$29.82 per share.

Ronald J. Sorenson, the Fund's portfolio manager and Chief Investment Officer of Reaves Asset Management, the Fund's investment adviser, commented on the continued pressure on utility equity prices. "Historically, in the short term, for periods of less than one year, we have observed an inverse correlation between the price action of utilities stocks and increases in interest rates. However, the correlation diminishes over longer periods of time. We believe companies in the Fund's portfolio have the capacity to grow dividends and earnings sufficient to overcome the adverse, short term, valuation impact arising from modestly rising interest rates while inflation remains low. We continue to focus our investments in companies that permit us to maintain the Fund's distribution policy, which remains unchanged.

The Fund has formally implemented the 19b-1 exemption received from the Securities and Exchange Commission in 2009. A portion of each 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 these distributions, including the percentage of qualified dividend income, will be made after the Fund's year end.

Not less than eighty percent of the Fund's assets will continue to be invested in the securities of domestic and foreign companies involved to a significant extent in providing products, services or equipment for (i) the generation or distribution of electricity, gas or water, (ii) telecommunications activities or (iii) infrastructure operations, such as airports, toll roads and municipal services ("Utilities" or the "Utility Industry"). 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 distributions and capital appreciation.

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

Ex-Distribution Date: July 15, 2015
Record Date: July 17, 2015
Payable Date: July 31, 2015

Ex-Distribution Date: August 17, 2015
Record Date: August 19, 2015
Payable Date: August 31, 2015

Ex-Distribution Date: September 16, 2015
Record Date: September 18, 2015
Payable Date: September 30, 2015

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 distributions and capital appreciation. There were approximately \$1.2 billion of total assets under management and 29.0 million common shares outstanding as of June 30, 2015.

An investor should consider investment objectives, risks, charges and expenses carefully before investing. To obtain a prospectus, annual report or semi-annual report which contains this and other information visit www.utilityincomefund.com or call 1-800-644-5571. Read them carefully before investing.

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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