

REAVES UTILITY INCOME FUND
(NYSE MKT: UTG)

PRESS RELEASE

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FOR IMMEDIATE RELEASE

December 21, 2015

**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 December 18, 2015, the Fund's market price was \$25.28 per share and its net asset value was \$27.60 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 recent Federal Reserve decision and the Fund's rights offering. On December 16, 2015 the Fed announced that it would raise rates by a quarter of a percentage point, up from close to zero. We continue to believe gradually rising interest rates will not impair the earnings and dividend growth of the Fund's investments. With respect to the investment of the proceeds from the rights offering, the current valuations and earnings growth outlook for selected utilities, telecom and broadband companies are such that investment will support the Fund's existing dividend policy.

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: December 29, 2015
Record Date: December 31, 2015
Payable Date: January 15, 2016

Ex-Distribution Date: February 17, 2016
Record Date: February 19, 2016
Payable Date: February 29, 2016

Ex-Distribution Date: March 16, 2016
Record Date: March 18, 2016
Payable Date: March 31, 2016

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 \$1.3 billion of total assets under management and 34.3 million common shares outstanding as of December 18, 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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