REAVES UTILITY INCOME FUND
(NYSE Amex: UTG)

1290 Broadway
Suite 1100
Denver, Colorado 80203

800-644-5571

PRESS RELEASE

FOR IMMEDIATE RELEASE
November 18, 2010

THE REAVES UTILITY INCOME FUND
ANNOUNCES INTENT TO REDEEM AUCTION MARKET PREFERRED SHARES

Denver, Colorado- Today, The Reaves Utility Income Fund (NYSE Amex: UTG) (the "Fund") is pleased to announce that it intends to redeem all outstanding shares of Auction Market Preferred Shares (the "AMPS") at par, as set forth below, in their entirety pursuant to their terms. The Fund has entered into a Committed Facility Agreement from a financial institution to provide new funding to redeem the AMPS and provide up to 33% leverage to the Fund going forward. The Board of Trustees has approved the refinancing which is expected to lower the costs of leverage for the Fund.

Series (CUSIP Number)	Total Liquidation Preference	Redemption Date
UTG Series W – 28 (*Cusip: 756158309*)	$80,000,000	December 8, 2010
UTG Series F – 7 (*Cusip: 756158408*)	$80,000,000	December 10, 2010
UTG Series M – 7 (*Cusip: 756158200*)	$80,000,000	December 13, 2010

Notice was sent today to the Fund's paying agent of the AMPS to commence the process. ***The Fund's obligation to redeem the AMPS shares is subject to having sufficient funds available to it from its borrowing arrangement to fund the redemption.***

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 $741 million of total assets under management and 22.9 million common shares outstanding as of November 17, 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 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 value.

###