

REAVES UTILITY INCOME FUND
(AMEX: UTG)

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PRESS RELEASE

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FOR IMMEDIATE RELEASE
March 31, 2008

**THE REAVES UTILITY INCOME FUND
ANNOUNCES REGULAR MONTHLY DIVIDEND OF \$0.115 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (AMEX: UTG) today announced the next three monthly dividends at a rate of \$0.115 per common share per month. The dividend represents an annualized yield of 6.4% based on the current market price. As of March 26, 2008, the Fund's market price was \$21.45 per share and its net asset value was \$24.74.

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 2008, 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 & Co., and portfolio manager of the Fund fully expects the Fund to continue earning the income necessary to pay a dividend characterized primarily by tax advantaged income.

Mr. Sorenson noted that "the aggressive actions taken by the U. S. Federal Reserve and the European Central Bank over the last several months have reduced short term interest rates in the United States and globally improved liquidity for the predominantly high-quality securities owned by the Fund. The currently projected common stock dividend income of the Fund is higher than it was at calendar year end because the Fund has been able to add to its common stock holdings at lower prices and because of increased dividends at several companies, including a 12% dividend increase at AT&T. Overall the Fund's dividend paying capacity has strengthened."

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

Ex-Distribution Date: April 14, 2008
Record Date: April 16, 2008
Payable Date: April 30, 2008

Ex-Distribution Date: May 14, 2008
Record Date: May 16, 2008
Payable Date: May 30, 2008

Ex-Distribution Date: June 16, 2008

Record Date: June 18, 2008

Payable Date: June 30, 2008

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 \$807 million of total assets under management and 22.7 million common shares outstanding as of March 26, 2008.

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.

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