

REAVES UTILITY INCOME FUND
(AMEX: UTG)

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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 (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 6.1% based on the current market price. As of June 30, 2008, the Fund's market price was \$22.49 per share and its net asset value was \$25.62.

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 underlying fundamentals for the companies held by the fund remain solid. "To date we have observed no meaningful deterioration in the earnings growth outlook or the financial condition of the utilities and telecoms held by the Fund." Mr. Sorenson expects most of the electric utilities and many of the telecoms held by the Fund to raise their dividends between 4% and 14%.

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

Ex-Distribution Date: July 14, 2008
Record Date: July 16, 2008
Payable Date: July 31, 2008

Ex-Distribution Date: August 13, 2008
Record Date: August 15, 2008
Payable Date: August 29, 2008

Ex-Distribution Date: September 15, 2008
Record Date: September 17, 2008
Payable Date: September 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 \$828 million of total assets under management and 22.7 million common shares outstanding as of June 30, 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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