

**REAVES UTILITY INCOME FUND**  
(NYSE Amex: UTG)

**PRESS RELEASE**

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FOR IMMEDIATE RELEASE  
December 21, 2010

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

Denver, Colorado – The Reaves Utility Income Fund (NYSE Amex: UTG) today announced the next three monthly dividends at a rate of \$0.115 per common share per month, unchanged from the per share rate paid for the previous quarter. The dividend represents an annualized yield of 6.0% based on the current market price. As of December 20, 2010, the Fund's market price was \$23.16 per share and its net asset value was \$22.26 per share.

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 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 and portfolio manager recently stated that the 51.6% total return, assuming dividend reinvestment, of the Fund for the fiscal year ended October 31, 2010 in part reflected investor demand for high-quality, dividend-paying stocks, which form the core of the Fund's investable universe. Mr. Sorenson noted that the Fund maintained its dividend throughout the economic and market turmoil of the last couple of years and re-iterated the Fund's long-term goal of growing the dividend over time commensurate with the rising earnings power of the Fund's underlying investments.

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

Ex-Distribution Date: December 29, 2010  
Record Date: December 31, 2010  
Payable Date: January 18, 2011

Ex-Distribution Date: February 16, 2011  
Record Date: February 18, 2011  
Payable Date: February 28, 2011

Ex-Distribution Date: March 16, 2011  
Record Date: March 18, 2011  
Payable Date: March 31, 2011

**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 \$754 million of total assets under management and 22.9 million common shares outstanding as of December 20, 2010.

**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](http://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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