

REAVES UTILITY INCOME FUND
(NYSE Amex: UTG)

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PRESS RELEASE

FOR IMMEDIATE RELEASE

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**THE REAVES UTILITY INCOME FUND
ANNOUNCES REGULAR MONTHLY DIVIDEND OF \$0.125 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE Amex: UTG) announced today the next three monthly dividends, at a rate of \$0.125 per common share per month, unchanged from the per share rate paid for the previous quarter. The dividend represents an annualized yield of 5.76% based on the current market price. As of April 3, 2012, the Fund's market price was \$26.04 per share and its net asset value was \$24.65 per share.

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.

Ronald J. Sorenson, the Fund's portfolio manager and Chief Investment Officer at Reaves Asset Management, the Fund's investment adviser, noted that the Fund's portfolio achieved a modest positive total return for the quarter. The Fund's full leverage was reinstated as the risk of a disorderly Greek debt default diminished and additional financing was made available to stabilize European banks. As a consequence, the expected dividend income to the Fund has increased. The Fund's investment adviser believes that the Fund is positioned to comfortably meet its dividend commitments for the second quarter and the remainder of the year.

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.

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

Ex-Distribution Date: April 18, 2012
Record Date: April 20, 2012
Payable Date: April 30, 2012

Ex-Distribution Date: May 16, 2012
Record Date: May 18, 2012
Payable Date: May 31, 2012

Ex-Distribution Date: June 15, 2012
Record Date: June 19, 2012
Payable Date: June 29, 2012

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 \$814 million of total assets under management and 23.08 million common shares outstanding as of April 3, 2012.

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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