

REAVES UTILITY INCOME FUND

(NYSE MKT: UTG)

PRESS RELEASE

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FOR IMMEDIATE RELEASE

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**THE REAVES UTILITY INCOME FUND
ANNOUNCES REGULAR MONTHLY DIVIDEND OF \$0.13 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE MKT: UTG) announced today the next three monthly dividends, at a rate of \$0.13125 per common share per month, unchanged from the per share rate paid for the previous quarter. As of April 5, 2013, the Fund’s market price was \$26.69 per share and its net asset value was \$27.61 per share.

Ron Sorenson, Chief Investment Officer and CEO at Reaves Asset Management, believes the Fund remains well-positioned to support its dividend objectives. “Most of the companies held by the Fund have the capacity to meaningfully grow their dividends over time, supported by sustainable earnings growth. We strive to invest in well-managed and well capitalized companies that provide key components of the nation’s energy and communications infrastructure.”

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.

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 17, 2013
Record Date: April 19, 2013
Payable Date: April 30, 2013

Ex-Distribution Date: May 15, 2013
Record Date: May 17, 2013
Payable Date: May 31, 2013

Ex-Distribution Date: June 13, 2013
Record Date: June 17, 2013
Payable Date: June 28, 2013

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 \$1.1 billion of total assets under management and 29.0 million common shares outstanding as of April 5, 2013.

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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