

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 October 7, 2013, the Fund’s market price was \$24.81 per share and its net asset value was \$26.27 per share.

Ron Sorenson, CEO and CIO of Reaves Asset Management, advisor to the Fund, recently cautioned investors to avoid blanket conclusions about the negative impact of rising interest rates on utilities’ share prices. Mr. Sorenson conceded that in the short run the impact from rising rates on most utilities’ share prices is typically negative. But over the longer term, Mr. Sorenson suggested, the market differentially rewards those utilities growing their earnings and dividends. “As interest rates move higher,” Mr. Sorenson said, “we see opportunities to benefit from stock price dislocations when prices decline in response to changes in investor expectations.”

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: October 18, 2013
Record Date: October 22, 2013
Payable Date: October 31, 2013

Ex-Distribution Date: November 14, 2013
Record Date: November 18, 2013
Payable Date: November 29, 2013

Ex-Distribution Date: December 16, 2013
Record Date: December 18, 2013
Payable Date: December 31, 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 October 7, 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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