

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 \$0.1375 PER SHARE**

Denver, Colorado – The Reaves Utility Income Fund (NYSE MKT: UTG) announced today the next three monthly dividends at a rate of \$0.1375 per common share per month, unchanged from the per share rate paid for the previous quarter. As of April 4, 2014, the Fund’s market price was \$27.76 per share and its net asset value was \$29.54 per share.

Ron Sorenson, CEO and CIO of Reaves Asset Management, advisor to the Fund, recently noted that the outlook for utilities investments remains quite bullish. “Sluggish economic growth and the measured pace of Federal Reserve “tapering” suggest a relatively benign interest rate environment. In fact the rate on the ten-year Treasury declined from 3.02% to 2.78% during the first quarter. With its focus on well-capitalized companies providing basic services to their customers, and a rising dividend stream to their investors, the Fund is well-positioned to grow shareholder value.”

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 15, 2014
Record Date: April 17, 2014
Payable Date: April 30, 2014

Ex-Distribution Date: May 14, 2014
Record Date: May 16, 2014
Payable Date: May 30, 2014

Ex-Distribution Date: June 16, 2014
Record Date: June 18, 2014
Payable Date: June 30, 2014

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 4, 2014.

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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