

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 July 7, 2014, the Fund’s market price was \$28.67 per share and its net asset value was \$31.19 per share.

Ron Sorenson, CEO and CIO of Reaves Asset Management, advisor to the Fund, recently commented on the fundamentals of the utility industry, which he believes remain quite positive. “Many state regulatory commissions, as well as the Federal Energy Regulatory Commission, have been constructive on allowed rates of return and rate design because they understand the need for utilities to attract sufficient capital to support continued investment in electric transmission, gas distribution infrastructure and compliance with environmental regulations.”

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: July 16, 2014
Record Date: July 18, 2014
Payable Date: July 31, 2014

Ex-Distribution Date: August 14, 2014
Record Date: August 18, 2014
Payable Date: August 29, 2014

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

The fund declares that \$0.1371 per share of the \$0.1375 per share July distribution will be paid as long-term capital gain in accordance with Internal Revenue Code section 855(a), for the fiscal year ended October 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 \$1.2 billion of total assets under management and 29.0 million common shares outstanding as of July 7, 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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