

Petrohawk Holdings, LLC
Form 424B3
April 21, 2011

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Filed Pursuant to Rule 424(b)(3)
Registration Statement No. 333-173111

PROSPECTUS

\$400,000,000

Petrohawk Energy Corporation

Offer to Exchange up to
\$400,000,000 of 7.25% Senior Notes due 2018
that have been Registered under the Securities Act of 1933
for
\$400,000,000 of 7.25% Senior Notes due 2018
that have not been Registered under the Securities Act of 1933

We are offering to exchange up to \$400,000,000 aggregate principal amount of registered 7.25% Senior Notes Due 2018, for any and all of our \$400,000,000 aggregate principal amount of unregistered 7.25% Senior Notes Due 2018.

We refer to the registered notes as the "new notes" and the unregistered notes as the "old notes." The new notes are being offered as additional debt securities under the indenture pursuant to which we previously issued the old notes.

The terms of the new notes are substantially identical to those of the old notes, except that the transfer restrictions and registration rights do not apply to the new notes.

We will exchange for an equal principal amount of new notes all old notes that you validly tender and do not validly withdraw before the exchange offer expires.

This exchange offer expires at 5:00 p.m., New York City time, on May 19, 2011, unless extended. We do not currently

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intend to extend the exchange offer.

You may withdraw tenders of old notes at any time prior to the expiration of the exchange offer.

The exchange of new notes for old notes should not be a taxable transaction for United States federal income tax purposes.

The old notes are, and the new notes will be, guaranteed by each of our existing and future domestic restricted subsidiaries.

There is no existing public market for your old notes, and there is currently no public market for the new notes to be issued to you in the exchange offer. We do not intend to apply for listing of the new notes on any national securities exchange. We previously issued in November 2010 approximately \$825 million in aggregate principal amount of senior notes identical to the new notes. If a public market for the new notes is created, such market would include these previously issued identical notes.

Each broker-dealer that receives new notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of new notes received in exchange for old notes where such old notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed to make this prospectus available for a period of 180 days from the expiration date of this exchange offer to any broker-dealer for use in connection with any such resale. See "Plan of Distribution."

This investment involves risks. Please read "Risk Factors" beginning on page 12 for a discussion of the risks that you should consider prior to tendering your outstanding old notes in the exchange offer.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 20, 2011.

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This prospectus incorporates by reference important business and financial information about us that is not included in or delivered with this document. This information is available to you without charge upon written or oral request to: 1000 Louisiana, Suite 5600, Houston, Texas 77002, Attention: Corporate Secretary, (832) 204-2700. The exchange offer is expected to expire on May 19, 2011 and you must make your exchange decision by the expiration date. To obtain timely delivery, you must request the information no later than May 12, 2011, or the date which is five business days before the expiration date of this exchange offer.

This prospectus is part of a registration statement we filed with the Securities and Exchange Commission, referred to in this prospectus as the SEC or the Commission. In making your investment decision, you should rely only on the information contained in this prospectus and in the accompanying letter of transmittal. We have not authorized anyone to provide you with any other information. If you received any unauthorized information, you must not rely on it. We are not making an offer to sell these securities in any state or jurisdiction where the offer is not permitted. You should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front cover of this prospectus.

In this prospectus, when we use the terms "Petrohawk," "we," "us," or "our," we mean Petrohawk Energy Corporation and its consolidated subsidiaries, unless otherwise indicated or the context requires otherwise.

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WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC (File No. 001-33334). We have also filed with the SEC a registration statement on Form S-4 with respect to the new notes being offered by this prospectus. As permitted by SEC rules, this prospectus does not contain all of the information found in the registration statement. For further information regarding us and the new notes offered by this prospectus, please review the full registration statement, including its exhibits. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. You may also read and copy at prescribed rates any document we file at the SEC's public reference room at 100 F Street, N.E., Washington, D.C. 20549. You can obtain information about the operation of the SEC's public reference room by calling the SEC at 1-800-SEC-0330.

Our common stock is listed on the NYSE under the symbol "HK," and reports, proxy statements and other information also can be inspected at the offices of the NYSE located at 20 Broad Street, New York, New York 10005.

The SEC allows us to "incorporate by reference" the information that we file with it, which means that we can disclose important information to you by referring you to other documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference the following documents and all documents that we subsequently file with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act (other than, in each case, information furnished rather than filed):

our Annual Report on Form 10-K for the fiscal year ended December 31, 2010, filed on February 22, 2011 (including the portions of our definitive Proxy Statement on Schedule 14A incorporated therein by reference) (Commission File No. 001-33334); and

our Current Reports on Form 8-K filed on January 14, 2011, January 18, 2011, January 20, 2011, February 3, 2011, March 25, 2011 (Commission File No. 001-33334).

You may request a copy of these filings (other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing), at no cost, by writing to us at the following address or calling the following number:

Petrohawk Energy Corporation
Attn: Investor Relations
1000 Louisiana, Suite 5600
Houston, Texas 77002
Phone (832) 204-2700
investors@petrohawk.com

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

The information discussed in this prospectus, our filings with the Commission and our public releases include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, referred to as the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, referred to as the Exchange Act. All statements, other than statements of historical facts, concerning, among other things, planned capital expenditures, potential increases in oil and natural gas production, the number and location of wells to be drilled in the future, future cash flows and borrowings, pursuit of potential acquisition opportunities, our financial position, business strategy and other plans and objectives for future operations, are forward-looking statements. These forward-looking statements are identified by their use of terms and phrases such as "may," "expect," "estimate," "project," "plan," "believe," "intend," "achievable," "anticipate," "will," "continue," "potential," "should," "could" and similar terms and phrases. Although we believe that the expectations reflected in these forward-looking statements are reasonable, they do involve certain assumptions, risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including, among others:

our ability to successfully develop our large inventory of undeveloped acreage in our resource plays such as the Haynesville, Lower Bossier and Eagle Ford Shales;

volatility in commodity prices for oil and natural gas;

the possibility that the industry may be subject to future regulatory or legislative actions (including any additional taxes and changes in environmental regulation);

the presence or recoverability of estimated oil and natural gas reserves and the actual future production rates and associated costs;

the potential for production decline rates for our wells to be greater than we expect;

our ability to generate sufficient cash flow from operations, borrowings or other sources to enable us to fully develop our undeveloped acreage positions;

our ability to replace oil and natural gas reserves;

environmental risks;

drilling and operating risks;

exploration and development risks;

competition, including competition for acreage in resource play holdings;

management's ability to execute our plans to meet our goals;

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our ability to retain key members of senior management and key technical employees;

the cost and availability of goods and services, such as drilling rigs, fracture stimulation services and tubulars;

access to and availability of water and other treatment materials to carry out planned fracture stimulations in our resource plays;

access to adequate gathering systems and transportation take-away capacity, necessary to fully execute our capital program;

our ability to secure firm transportation and other marketing outlets for the natural gas, natural gas liquids and crude oil and condensate we produce and to sell these products at market prices;

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general economic conditions, whether internationally, nationally or in the regional and local market areas in which we do business, may be less favorable than expected, including the possibility that economic conditions in the United States will worsen and that capital markets are disrupted, which could adversely affect demand for oil and natural gas and make it difficult to access financial markets;

social unrest, political instability, acts of terrorism or sabotage, or armed conflict in oil and natural gas producing regions, such as the Middle East; and

other economic, competitive, governmental, legislative, regulatory, geopolitical and technological factors that may negatively impact our business, operations or pricing.

Finally, our future results will depend upon various other risks and uncertainties, including, but not limited to, those detailed in the section entitled "Risk Factors" included in this prospectus and in our Annual Report on Form 10-K for the year ended December 31, 2010. All forward-looking statements are expressly qualified in their entirety by the cautionary statements in this paragraph and elsewhere in this document. Other than as required under the securities laws, we do not assume a duty to update these forward-looking statements, whether as a result of new information, subsequent events or circumstances, changes in expectations or otherwise.

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PROSPECTUS SUMMARY

The following summary highlights selected information from the prospectus and may not contain all of the information that is important to you. This prospectus includes specific terms of the new notes, as well as information regarding our business and detailed financial data. We encourage you to read this entire prospectus carefully, including the discussion of the risks and uncertainties affecting our business included under the caption "Risk Factors" and the documents that have been incorporated into this prospectus, before making an investment decision.

Our Company

We are an independent oil and natural gas company engaged in the exploration, development and production of predominately natural gas properties located in the United States. Our business is comprised of an oil and natural gas production segment and a midstream operations segment. Our oil and natural gas properties are concentrated in three premier domestic shale plays that we believe have decades of future development potential. We organize our oil and natural gas operations into two principal regions: the Mid-Continent, which includes our Louisiana and East Texas properties; and the Western, which includes our South Texas properties. Our midstream segment consists of our wholly owned gathering and treating subsidiary, Hawk Field Services, LLC (Hawk Field Services). We formed Hawk Field Services to enhance shareholder value by integrating our active drilling program with activities of third parties to develop additional gathering and treating capacity. Hawk Field Services currently serves the Haynesville Shale and Lower Bossier Shale in North Louisiana through our investment in KinderHawk Field Services, LLC (KinderHawk) and the Eagle Ford Shale in South Texas.

At December 31, 2010, our estimated total proved oil and natural gas reserves, as prepared by our independent reserve engineering firm, Netherland, Sewell & Associates, Inc. (Netherland, Sewell), were approximately 3,392 billion cubic feet of natural gas equivalent (Bcfe), consisting of 3,110 billion cubic feet (Bcf) of natural gas, 20 million barrels (MMBbls) of oil, and 27 MMBbls of natural gas liquids. Approximately 35% of our proved reserves were classified as proved developed. We maintain operational control of approximately 82% of our proved reserves. Production for the fourth quarter of 2010 averaged 761 million cubic feet of natural gas equivalent (Mmcfe) per day (Mmcfe/d). Full year 2010 production averaged 675 Mmcfe/d compared to 502 Mmcfe/d in 2009. Our total operating revenues for 2010 were approximately \$1.6 billion.

We focus on properties within our core operating areas that we believe have significant development and exploration opportunities and where we can apply our technical experience and economies of scale to increase production and proved reserves while lowering unit lease operating costs. We continue to selectively expand our leasehold position in our existing resource plays in the Haynesville and Lower Bossier Shales in North Louisiana and the Eagle Ford Shale in South Texas. We expect to continue to grow our production and reserves from these existing areas, with a near-term focus on holding our acreage positions and growing our crude oil and natural gas liquids production. We also expect to continue to evaluate new entry in areas that may be prospective for the resource plays we seek in order to capitalize on our expertise and extensive experience.

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Our Business and Recent Developments

For a description of our business, our operating segments and recent events affecting our business, which is incorporated herein by reference, please see our annual report on Form 10-K for the year ended December 31, 2010, filed with the Securities and Exchange Commission on February 22, 2011, as well as the other documents incorporated herein by reference.

Corporate Information

Petrohawk is a Delaware corporation originally organized in Nevada in June 1997 and reincorporated in Delaware during 2004. Our executive offices are located at 1000 Louisiana Street, Suite 5600, Houston, Texas 77002, telephone number (832) 204-2700, fax number (832) 204-2800, and our website can be found at www.petrohawk.com. Unless specifically incorporated by reference in this prospectus, information that you may find on our website, or any other website, is not part of this prospectus.

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The Exchange Offer

On January 31, 2011, we completed a private offering of \$400 million in aggregate principal of the old notes. In connection with that private offering, we entered into a registration rights agreement in which we agreed, among other things, to deliver this prospectus to you and to use our best efforts to complete the exchange offer. The following is a summary of the exchange offer.

Old Notes	7.25% Senior Notes due 2018, which were issued on January 31, 2011.
New Notes	7.25% Senior Notes due 2018. The terms of the new notes are substantially identical to those terms of the outstanding old notes, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes. The old notes were an additional issue of our outstanding 7.25% Senior Notes due 2018, originally issued in an aggregate principal amount of \$825 million on August 17, 2010. The old notes were originally issued under the same indenture as the August notes and are part of the same series. We exchanged the August notes for approximately \$825 million of registered notes, which have identical terms to the terms of the new notes offered hereby.
Exchange Offer	We are offering to exchange up to \$400,000,000 aggregate principal amount of our new notes that have been registered under the Securities Act for an equal amount of our outstanding old notes that have not been registered under the Securities Act to satisfy our obligations under the registration rights agreement.
Expiration Date	The exchange offer will expire at 5:00 p.m., New York City time, on May 19, 2011 unless we decide to extend it.
Conditions to the Exchange Offer	The registration rights agreement does not require us to accept old notes for exchange if the exchange offer or the making of any exchange by a holder of the old notes would violate any applicable law or interpretation of the staff of the SEC. A minimum aggregate principal amount of old notes being tendered is not a condition to the exchange offer.

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Procedures for Tendering Old Notes

Unless you comply with the procedures described under the caption "The Exchange Offer Procedures for Tendering Guaranteed Delivery," you must do one of the following on or prior to the expiration of the exchange offer to participate in the exchange offer:

tender your old notes by using the book-entry transfer procedures described below and transmitting a properly completed and duly executed letter of transmittal, with any required signature guarantees, or an agent's message instead of the letter of transmittal, to the exchange agent. In order for a book-entry transfer to constitute a valid tender of your old notes in the exchange offer, U.S. Bank National Association, as registrar and exchange agent, must receive a confirmation of book-entry transfer of your old notes into the exchange agent's account at The Depository Trust Company prior to the expiration of the exchange offer. For more information regarding the use of book-entry transfer procedures, including a description of the required agent's message, please read the discussion under the caption "The Exchange Offer Procedures for Tendering Book-Entry Transfer;" or

tender your old notes by sending the certificates for your old notes, in proper form for transfer, a properly completed and duly executed letter of transmittal, with any required signature guarantees, and all other documents required by the letter of transmittal, to U.S. Bank National Association, as registrar and exchange agent, at the address listed under the caption "The Exchange Offer Exchange Agent."

Guaranteed Delivery Procedures

If you are a registered holder of the old notes and wish to tender your old notes in the exchange offer, but

the old notes are not immediately available,

time will not permit your old notes or other required documents to reach the exchange agent before the expiration of the exchange offer, or

the procedure for book-entry transfer cannot be completed prior to the expiration of the exchange offer,

then you may tender old notes by following the procedures described under the caption "The Exchange Offer Procedures for Tendering Guaranteed Delivery."

Special Procedures for Beneficial Owners

If you are a beneficial owner whose old notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your old notes in the exchange offer, you should promptly contact the person in whose name the old notes are registered and instruct that person to tender on your behalf.

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	<p>If you wish to tender in the exchange offer on your own behalf, prior to completing and executing the letter of transmittal and delivering the certificates for your old notes, you must either make appropriate arrangements to register ownership of the old notes in your name or obtain a properly completed bond power from the person in whose name the old notes are registered.</p>
Withdrawal; Non-Acceptance	<p>You may withdraw any old notes tendered in the exchange offer at any time prior to 5:00 p.m., New York City time, on May 19, 2011. If we decide for any reason not to accept any old notes tendered for exchange, the old notes will be returned to the registered holder at our expense promptly after the expiration or termination of the exchange offer. In the case of old notes tendered by book-entry transfer into the exchange agent's account at The Depository Trust Company, any withdrawn or unaccepted old notes will be credited to the tendering holder's account at The Depository Trust Company. For further information regarding the withdrawal of tendered old notes, please read "The Exchange Offer Withdrawal Rights."</p>
United States Federal Income Tax Considerations	<p>The exchange of new notes for old notes in the exchange offer should not be a taxable event for United States federal income tax purposes. Please read the discussion under the caption "Material United States Federal Income Tax Considerations" for more information regarding the tax consequences to you of the exchange offer.</p>
Use of Proceeds	<p>The issuance of the new notes will not provide us with any new proceeds. We are making this exchange offer solely to satisfy our obligations under the registration rights agreement.</p>
Fees and Expenses	<p>We will pay all of our expenses incident to the exchange offer.</p>
Exchange Agent	<p>We have appointed U.S. Bank National Association as exchange agent for the exchange offer. You can find the address, telephone number and fax number of the exchange agent under the caption "The Exchange Offer Exchange Agent."</p>
Resales of New Notes	<p>Based on interpretations by the staff of the SEC, as set forth in no-action letters issued to third parties that are not related to us, we believe that the new notes you receive in the exchange offer may be offered for resale, resold or otherwise transferred by you without compliance with the registration and prospectus delivery provisions of the Securities Act so long as:</p> <p style="padding-left: 40px;">the new notes are being acquired in the ordinary course of business;</p>

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you are not participating, do not intend to participate, and have no arrangement or understanding with any person to participate in the distribution of the new notes issued to you in the exchange offer;

you are not our affiliate; and

you are not a broker-dealer tendering old notes acquired directly from us for your account.

The SEC has not considered this exchange offer in the context of a no-action letter, and we cannot assure you that the SEC would make similar determinations with respect to this exchange offer. If any of these conditions are not satisfied, or if our belief is not accurate, and you transfer any new notes issued to you in the exchange offer without delivering a resale prospectus meeting the requirements of the Securities Act or without an exemption from registration of your new notes from those requirements, you may incur liability under the Securities Act. We will not assume, nor will we indemnify you against, any such liability. Each broker-dealer that receives new notes for its own account in exchange for old notes, where the old notes were acquired by such broker-dealer as a result of market-making or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such new notes. Please read "Plan of Distribution."

Please read "The Exchange Offer Resales of New Notes" for more information regarding resales of the new notes.

Consequences of Not Exchanging Your Old Notes

If you do not exchange your old notes in this exchange offer, you will no longer be able to require us to register your old notes under the Securities Act, except in the limited circumstances provided under the registration rights agreement. In addition, you will not be able to resell, offer to resell or otherwise transfer your old notes unless we have registered the old notes under the Securities Act or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.

For information regarding the consequences of not tendering your old notes and our obligation to file a registration statement, please read "The Exchange Offer Consequences of Failure to Exchange Outstanding Securities" and "Description of the New Notes."

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Description of the New Notes

The terms of the new notes and those of the outstanding old notes are substantially identical, except that the transfer restrictions and registration rights relating to the old notes do not apply to the new notes. As a result, the new notes will not bear legends restricting their transfer and will not have the benefit of the registration rights and special interest provisions contained in the old notes. The new notes represent the same debt as the old notes for which they are being exchanged. Both the old notes and the new notes are governed by the same indenture.

The following is a summary of the terms of the new notes. It may not contain all the information that is important to you. For a more detailed description of the new notes, please read "Description of the New Notes."

Issuer	Petrohawk Energy Corporation
Securities Offered	\$400,000,000 aggregate principal amount of 7.25% Senior Notes due 2018. The new notes are being offered as additional debt securities under the indenture pursuant to which we previously issued the old notes.
Maturity Date	August 15, 2018.
Interest	Interest on the new notes will accrue at the rate of 7.25% per year and will be payable semi-annually on February 15 and August 15 of each year, beginning on February 15, 2011. Interest will accrue from August 17, 2010.
Guarantees	The notes will be jointly and severally guaranteed on a senior unsecured basis by all of our current restricted subsidiaries. If we cannot make payments on the notes when they are due, the guarantor subsidiaries must make them instead.
Ranking	The new notes will be our senior unsecured obligations. The new notes will rank equally with all our current and future senior indebtedness. The new notes will rank effectively junior to our secured debt to the extent of the collateral, including secured debt under our existing senior revolving credit facility.
Optional Redemption	At any time on or prior to August 15, 2013, we may redeem up to 35% of the aggregate principal amount of the notes with the net cash proceeds of certain equity offerings at the redemption price set forth under "Description of the New Notes Optional Redemption," if at least 65% of the aggregate principal amount of the notes issued under the indenture remains outstanding immediately after such redemption and the redemption occurs within 180 days of the closing date of such equity offering. At any time prior to August 15, 2014, we may redeem the notes, in whole or in part, at a "make whole" redemption price set forth under "Description of the New Notes Optional Redemption." On and after August 15, 2014, we may redeem the notes, in whole or in part, at the redemption prices set forth under "Description of the New Notes Optional Redemption."

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Mandatory Offer to Repurchase	If we experience specific kinds of changes of control or sell certain assets, each holder of the new notes may require us to purchase all or a portion of such holder's new notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of purchase. See "Description of the New Notes Repurchase at the Option of Holders."
Basic Covenants of Indenture	We will issue the new notes under the indenture, as supplemented, between us, the subsidiary guarantors and U.S. Bank National Association, as trustee. The indenture contains covenants that will limit our ability and the ability of our restricted subsidiaries to, among other things: <ul style="list-style-type: none">borrow money;pay dividends or make other distributions on stock;purchase or redeem stock or subordinated indebtedness;make investments;create liens;enter into transactions with affiliates;sell assets; andmerge with or into other companies or transfer all or substantially all our assets. These limitations are subject to a number of important qualifications and exceptions which are described in "Description of the New Notes Certain Covenants." However, most of the limitations will terminate if both S&P and Moody's assign the notes an investment grade rating and no default exists with respect to the notes.
Events of Default	If there is an event of default on the notes, the principal amount of notes plus accrued and unpaid interest, if any, may be declared immediately due and payable in specified circumstances. Please read "Description of the New Notes Events of Default and Remedies."
Transfer Restrictions; Absence of a Public Market for the Notes	The new notes generally will be freely transferable, but will also be new securities for which there will not initially be a market. There can be no assurance as to the development or liquidity of any market for the new notes.

Risk Factors

Investing in the new notes involves substantial risk. Please read "Risk Factors" beginning on page 12 for a discussion of certain factors you should consider in evaluating an investment in the new notes and in evaluating our business.

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RISK FACTORS

You should carefully consider the risks described below, as well as other information contained in or incorporated by reference into this prospectus, including the risks described under "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2010, as well as the other documents incorporated herein by reference, before tendering your old notes in the exchange offer.

If you do not properly tender your old notes, you will continue to hold unregistered outstanding notes and your ability to transfer outstanding notes will be adversely affected.

We will only issue new notes in exchange for old notes that you timely and properly tender. Therefore, you should allow sufficient time to ensure timely delivery of the old notes and you should carefully follow the instructions on how to tender your old notes. Neither we nor the exchange agent is required to tell you of any defects or irregularities with respect to your tender of old notes. Please read "The Exchange Offer Procedures for Tendering" and "Description of the New Notes."

If you do not exchange your old notes for new notes in the exchange offer, you will continue to be subject to the restrictions on transfer of your old notes described in the legend on the certificates for your old notes. In general, you may only offer or sell the old notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. We do not plan to register any sale of the old notes under the Securities Act. For further information regarding the consequences of tendering your old notes in the exchange offer, please read "The Exchange Offer Consequences of Failure to Exchange Outstanding Securities."

You may find it difficult to sell your new notes.

The new notes are a new issue of securities and although the new notes will be registered under the Securities Act, the new notes will not be listed on any securities exchange. Although a market for the notes may be created, the market maker has no obligation to continue making a market and may discontinue at any time without notice. Accordingly, we do not assure you that a liquid market will develop for the notes, that you will be able to sell your notes at a particular time or that the prices that you receive when you sell the notes will be favorable.

We cannot assure you that an active market will exist for the new notes or that any trading market that does develop will be liquid. If an active market does not develop or is not maintained, the market price and liquidity of our new notes may be adversely affected. If a market for the new notes develops, they may trade at a discount from their initial offering price. The trading market for the notes may be adversely affected by:

changes in the overall market for non-investment grade securities;

changes in our financial performance or prospects;

the financial performance or prospects for companies in our industry generally;

the number of holders of the notes;

the interest of securities dealers in making a market for the notes; and

prevailing interest rates and general economic conditions.

Historically, the market for non-investment grade debt has been subject to substantial volatility in prices. The market for the new notes, if any, may be subject to similar volatility. Prospective investors in the new notes should be aware that they may be required to bear the financial risks of such investment for an indefinite period of time.

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Some holders who exchange their old notes may be deemed to be underwriters.

If you exchange your old notes in the exchange offer for the purpose of participating in a distribution of the new notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

We have a holding company structure in which our subsidiaries conduct our operations and own our operating assets and our ability to make payments on the notes is therefore dependent upon the performance of our subsidiaries.

We are a holding company, and our subsidiaries conduct substantially all of our operations and own substantially all of our operating assets. We have no significant assets other than the equity interests in our subsidiaries. As a result, our ability to make required payments on the notes depends on the performance of our subsidiaries and their ability to distribute funds to us. The ability of our subsidiaries to make distributions to us may be restricted by, among other things, any future indebtedness of our subsidiaries. If we are unable to obtain the funds necessary to pay the principal amount at the maturity of the notes, or to repurchase the notes upon an occurrence of a change of control, we may be required to adopt one or more alternatives, such as a refinancing of the notes. We cannot assure you that we would be able to refinance the notes.

We may not be able to generate sufficient cash flow to meet our debt service obligations.

Our ability to make payments on our indebtedness, including the notes, and to fund planned capital expenditures will depend on our ability to generate cash in the future. This, to a certain extent, is subject to conditions in the oil and gas industry, general economic and financial conditions, the impact of legislative and regulatory actions on how we conduct our business and other factors, all of which are beyond our control.

We cannot assure you that our business will generate sufficient cash flow from operations to service our outstanding indebtedness, or that future borrowings will be available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other capital needs. If our business does not generate sufficient cash flow from operations to service our outstanding indebtedness, we may have to undertake alternative financing plans, such as:

refinancing or restructuring our debt;

selling assets;

reducing or delaying acquisitions or capital investments, such as remanufacturing our rigs and related equipment; or

seeking to raise additional capital.

However, we cannot assure you that we would be able to implement alternative financing plans, if necessary, on commercially reasonable terms or at all, or that implementing any such alternative financing plans would allow us to meet our debt obligations. Our inability to generate sufficient cash flow to satisfy our debt obligations, including our obligations under the notes, or to obtain alternative financings, could materially and adversely affect our business, financial condition, results of operations and prospects.

The notes and the guarantees will be unsecured and effectively subordinated to our secured indebtedness and that of our subsidiary guarantors.

The notes and the guarantees will be general unsecured senior obligations ranking effectively junior in right of payment to any secured debt of ours and that of each subsidiary guarantor,

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respectively, including obligations under our senior revolving credit facility, to the extent of the value of the collateral securing the debt. As of December 31, 2010, after giving effect to the private offering of our old notes and our redemption of all outstanding senior notes due 2013 and 2012, the principal amount of our total long term debt would have been approximately \$2.6 billion, \$400 million of which was the notes offered hereby and none of which was secured indebtedness and we could have borrowed up to approximately \$1.6 billion on a revolving basis (less the amount of outstanding letters of credit) under our senior revolving facility. If borrowed, any additional debt thereunder would be secured debt and would be effectively senior in right of payment to the notes to the extent of the value of the collateral securing that indebtedness. The indenture governing the notes will permit us and the subsidiary guarantors to incur additional secured debt in the future.

If we or a subsidiary guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any secured debt of ours or that subsidiary guarantor will be entitled to be paid in full from our assets or the assets of the guarantor, as applicable, securing that debt before any payment may be made with respect to the notes or the affected guarantees. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that does not rank junior to the notes, including all of our other general creditors and the holders of our secured debt to the extent such debt is not satisfied with the proceeds of the collateral therefor, based upon the respective amounts owed to each holder or creditor, in our remaining assets. In any of the foregoing events, we cannot assure you that there will be sufficient assets to pay amounts due on the notes. As a result, holders of the notes would likely receive less, ratably, than holders of secured indebtedness.

Our debt level and the covenants in the agreements governing our debt could negatively impact our financial condition, results of operations and business prospects and prevent us from fulfilling our obligations under the notes; however, despite our and our subsidiaries' current level of indebtedness, we may still be able to incur substantially more debt.

Our level of indebtedness, and the covenants contained in the agreements governing our debt, could have important consequences for our operations, including by:

making it more difficult for us to satisfy our obligations under the notes or other indebtedness and increasing the risk that we may default on our debt obligations;

requiring us to dedicate a substantial portion of our cash flow from operations to required payments on indebtedness, thereby reducing the availability of cash flow for working capital, capital expenditures and other general business activities;

limiting our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions and general corporate and other activities;

limiting management's discretion in operating our business;

limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

detracting from our ability to withstand successfully a downturn in our business or the economy generally;

placing us at a competitive disadvantage against less leveraged competitors; and

making us vulnerable to increases in interest rates, because debt under any senior revolving credit facility may vary with prevailing interest rates.

We may be required to repay all or a portion of our debt on an accelerated basis in certain circumstances. If we fail to comply with the covenants and other restrictions in the agreements governing our debt, it could lead to an event of default and the consequent acceleration of our

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obligation to repay outstanding debt. Our ability to comply with these covenants and other restrictions may be affected by events beyond our control, including prevailing economic and financial conditions.

Despite our and our subsidiaries' current level of indebtedness; however, we and our subsidiaries may be able to incur substantial additional indebtedness in the future, subject to certain limitations. The terms of our indenture will not prohibit us or our subsidiaries from doing so. When we issued the old notes privately, we still could borrow up to approximately \$1.6 billion in additional secured debt on a revolving basis (less the amount of outstanding letters of credit) under our senior revolving credit facility. If new debt is added to our current debt levels, the related risks that we and our subsidiaries now face could intensify.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of certain change of control events followed within 90 days by a lowering of the rating on the notes by either Moody's or S&P, we would be required to offer to repurchase all or any part of the notes then outstanding for cash at 101% of the principal amount. Other senior notes that we have outstanding have similar change of control repurchase obligations except that they include additional change of control events and they do not require a ratings reduction to trigger the repurchase obligation. The source of funds for any repurchase required as a result of any change of control will be our available cash or cash generated from our operations or other sources, including:

sale of assets; or

sales of equity.

We cannot assure you that sufficient funds would be available at the time of any change of control to repurchase your notes. Additionally, a "change of control" is an event of default under our senior revolving credit facility that would permit the lenders to accelerate the debt outstanding under such facility. Finally, using available cash to fund the potential consequences of a change of control may impair our ability to obtain additional financing in the future, which could negatively impact our ability to conduct our business operations.

A subsidiary guarantee could be voided if it constitutes a fraudulent transfer under United States bankruptcy or similar state law, which would prevent the holders of the notes from relying on that subsidiary to satisfy claims.

Under United States bankruptcy law and comparable provisions of state fraudulent transfer laws, our subsidiary guarantees of the notes can be voided, or claims under the subsidiary guarantees may be subordinated to all other debts of that subsidiary guarantor if, among other things, the subsidiary guarantor, at the time it incurred the indebtedness evidenced by its guarantee or, in some states, when payments become due under the guarantee, received less than reasonably equivalent value or fair consideration for the incurrence of the guarantee and:

was insolvent or rendered insolvent by reason of such incurrence;

was engaged in a business or transaction for which the guarantor's remaining assets constituted unreasonably small capital;
or

intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

Our subsidiary guarantees may also be voided, without regard to the above factors, if a court found that the subsidiary guarantor entered into the guarantee with the actual intent to hinder, delay or defraud its creditors.

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A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee if the subsidiary guarantor did not substantially benefit directly or indirectly from the issuance of the guarantees. If a court were to void a subsidiary guarantee, you would no longer have a claim against the subsidiary guarantor. Sufficient funds to repay the notes may not be available from other sources, including the remaining subsidiary guarantors, if any. In addition, the court might direct you to repay any amounts that you already received from the subsidiary guarantor.

The measures of insolvency for purposes of fraudulent transfer laws vary depending upon the governing law. Generally, a guarantor would be considered insolvent if:

the sum of its debts, including contingent liabilities, were greater than the fair saleable value of all its assets;

the present fair saleable value of its assets is less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

The obligations of each subsidiary guarantor will be limited as necessary to prevent each subsidiary guarantee from constituting a fraudulent conveyance under applicable law. We cannot assure you that this limitation will protect the subsidiary guarantees from fraudulent transfer challenges or, if it does, that the remaining amount due and collectible under the guarantees would suffice, if necessary, to pay the notes in full when due. In a recent Florida bankruptcy case, subsidiary guarantees containing this kind of provision were found to be fraudulent conveyances and unenforceable, and the court stated that this kind of limitation is ineffective. We do not know if that case will be followed if there is litigation on this point under the indenture governing the notes. However, if it is followed, the risk that the subsidiary guarantees will be found to be fraudulent conveyances will be significantly increased.

Many of the covenants contained in the indenture will terminate if the notes are rated investment grade by both of Standard & Poor's Ratings Services and Moody's Investors Service, Inc.

Many of the covenants in the indenture governing the notes will terminate if the notes are rated investment grade by both of S&P and Moody's, provided at such time no default under the indenture has occurred and is continuing. These covenants will restrict, among other things, our ability to pay dividends, to incur debt and to enter into certain other transactions. There can be no assurance that the notes will ever be rated investment grade, or that if they are rated investment grade, that the notes will maintain such ratings. However, termination of these covenants would allow us to engage in certain transactions that would not be permitted while these covenants were in force. Please see "Description of the Notes Covenant termination."

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RATIO OF EARNINGS TO FIXED CHARGES

We have computed our ratio of earnings to fixed charges for each of our fiscal years ended December 31, 2010, 2009, 2008, 2007 and 2006.

Ratio of earnings to fixed charges is calculated by dividing earnings by fixed charges. For this purpose, "earnings" represent the aggregate of pre-tax income from continuing operations before adjustment for income or loss from equity investees, of fixed charges and distributed income of equity investees. "Fixed charges" include interest expensed and capitalized, amortization of debt issuance costs, the amortization of debt discounts and premiums and the portion of non-capitalized rental expense deemed to be the equivalent of interest.

You should read the ratio information below in conjunction with the "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the financial statements and the notes thereto in our Annual Report on Form 10-K for year ended December 31, 2010, which is incorporated herein by reference.

	Year Ended December 31,				
	2010	2009	2008	2007	2006
Ratio of earnings to fixed charges	2.3	(1)	(2)	1.6	3.1

(1) Due to the Company's loss in 2009, the ratio coverage was less than 1:1. The Company must generate additional earnings of \$1.8 billion to achieve a coverage ratio of 1:1.

(2) Due to the Company's loss in 2008, the ratio coverage was less than 1:1. The Company must generate additional earnings of \$531.0 million to achieve a coverage ratio of 1:1.

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USE OF PROCEEDS

The exchange offer is intended to satisfy our obligations under the registration rights agreement we entered into in connection with the private offering of the old notes. We will not receive any proceeds from the issuance of the new notes in the exchange offer. In consideration for issuing the new notes as contemplated in this prospectus, we will receive, in exchange, outstanding old notes in like principal amount. We will cancel all old notes surrendered in exchange for new notes in the exchange offer. As a result, the issuance of the new notes will not result in any increase or decrease in our indebtedness.

Table of Contents**DESCRIPTION OF OTHER INDEBTEDNESS****Senior revolving credit facility**

Certain banks, including affiliates of certain of the initial purchaser, have provided to us a senior revolving credit facility of up to \$2.0 billion, subject to a borrowing base calculation, which is secured by liens on most of our assets, the stock of our subsidiaries and most of the assets of our subsidiaries. The borrowing base for our senior revolving credit facility is determined semi-annually on or about May 1 and November 1, although we and the lenders under our senior revolving credit facility may request additional borrowing base determinations under certain circumstances. As of the date of this prospectus, the borrowing base is approximately \$1.65 billion (less the amount of outstanding letters of credit), approximately \$1.55 billion of which relates to our oil and natural gas properties and up to \$100 million of which relates to our midstream assets, limited to the lesser of \$100 million or 3.5 times midstream EBITDA. The borrowing base is subject to reduction of \$0.25 for each additional dollar of new debt that does not qualify as refinancing debt. Our obligations under our senior revolving credit facility are also guaranteed by all of our subsidiaries. Final maturity of our senior revolving credit facility is July 1, 2014.

Amounts outstanding under our senior revolving credit facility will bear interest at a specified margin over LIBOR of 2.00% to 3.00% for Eurodollar loans or at specified margins over ABR of 1.00% to 2.00% for ABR loans. These margins fluctuate based on the utilization of the facility relative to the borrowing base as follows:

Usage of borrowing base (%)	LIBOR margin (in basis points)	ABR margin (in basis points)		
Greater than or equal to 90%	300	200		
Greater than or equal to 75%, but less than 90%	275	175		
325,931			13,682,583	
Xcel Energy ^a				1,241,682
				23,033,201
				193,245,830
TOTAL UTILITIES				641,027,813
TOTAL COMMON STOCK (Identified cost \$649,090,102)				692,901,656
PREFERRED SECURITIES \$25 PAR VALUE		22.7%		
BANK		2.0%		
Bank of America Corp., 4.00%, Series E (FRN) ^a			114,136	1,374,197
BB&T Capital Trust V, 8.95%, due 9/15/63 ^a			110,800	2,764,460
Citigroup, 8.125%, Series AA ^a			155,406	2,478,726
HSBC USA, 6.50%, Series H			80,000	1,840,000
Sovereign Bancorp, 7.30%, Series C			95,075	1,530,707
Wells Fargo Capital XIV, 8.625%, due 9/14/68			40,000	1,068,000
Zions Bancorporation, 4.00%, Series A (FRN)			56,275	486,779
				11,542,869
BANK FOREIGN		3.2%		
Barclays Bank PLC, 8.125% ^a			249,800	3,751,996
Deutsche Bank Contingent Capital Trust III, 7.60% ^a			201,000	3,412,980
Deutsche Bank Contingent Capital Trust V, 8.05% ^a			100,000	1,858,000
HSBC Holdings PLC, 8.125% ^a			111,900	2,719,170
Royal Bank of Scotland Group PLC, 6.35%, Series N ^a			130,700	1,189,370
Royal Bank of Scotland Group PLC, 6.60%, Series S			71,298	628,848
Royal Bank of Scotland Group PLC, 7.25%, Series T ^a			80,361	811,646
Santander Finance, 6.50% ^a			80,000	1,508,800
Santander Finance Preferred, 4.00%, Series 6 (FRN) ^a			200,000	2,400,000
				18,280,810
FINANCE		1.2%		
INVESTMENT BANKER/BROKER		0.9%		

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Merrill Lynch & Co., 8.625% ^a	160,000	3,164,800
Merrill Lynch & Co., 4.00%, Series 5 (FRN) ^a	117,680	1,276,828
Morgan Stanley Capital Trust III, 6.25%	39,902	632,846
		5,074,474

See accompanying notes to financial statements.

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COHEN & STEERS SELECT UTILITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2008

		Number of Shares	Value
INVESTMENT BANKER/BROKER FOREIGN	0.3%		
Credit Suisse Guernsey, 7.90%		80,000	\$ 1,644,000
TOTAL FINANCE			6,718,474
INSURANCE	2.9%		
MULTI-LINE	0.4%		
MetLife, 6.50%, Series B ^a		122,500	2,091,075
MULTI-LINE FOREIGN	1.4%		
Allianz SE, 8.375% ^a		179,500	3,500,250
ING Groep N.V., 7.375% ^a		375,000	4,725,000
			8,225,250
PROPERTY CASUALTY FOREIGN	0.2%		
Arch Capital Group Ltd., 8.00% ^a		64,000	1,272,320
REINSURANCE FOREIGN	0.9%		
Aspen Insurance Holdings Ltd., 7.401%, Series A		100,000	1,259,000
Axis Capital Holdings Ltd., 7.25%, Series A ^a		82,200	1,428,636
Axis Capital Holdings Ltd., 7.50%, Series B (\$100 par value)		40,000	2,618,752
			5,306,388
TOTAL INSURANCE			16,895,033
INTEGRATED TELECOMMUNICATIONS SERVICES	0.6%		
Telephone & Data Systems, 7.60%, due 12/1/41 Series A ^a		143,850	2,157,750
United States Cellular Corp., 7.50%, due 6/15/34 ^a		91,177	1,331,184
			3,488,934
MEDIA DIVERSIFIED SERVICES	1.3%		
Comcast Corp., 7.00%, due 9/15/55, Series B ^a		325,856	7,168,832
REAL ESTATE	8.7%		
DIVERSIFIED	0.4%		
Duke Realty Corp., 8.375%, Series O		54,605	784,128
Forest City Enterprises, 7.375%, Class A		80,800	771,640
Lexington Corporate Properties Trust, 8.05%, Series B		75,000	780,000
			2,335,768

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2008

		Number of Shares	Value
HEALTH CARE	2.1%		
Health Care REIT, 7.625%, Series F		218,800	\$ 4,047,800
LTC Properties, 8.00%, Series F		393,499	8,263,479
			12,311,279
HOTEL	0.0%		
W2007 Grace Acquisition I, 8.75%, Series B ^d		43,300	32,475
OFFICE	2.8%		
Alexandria Real Estate Equities, 8.375%, Series C ^a		405,400	8,095,838
Brandywine Realty Trust, 7.50%, Series C		75,819	981,098
SL Green Realty Corp., 7.625%, Series C ^a		247,000	3,628,430
SL Green Realty Corp., 7.875%, Series D ^a		202,333	3,055,228
			15,760,594
OFFICE/INDUSTRIAL	1.1%		
PS Business Parks, 7.00%, Series H		75,700	1,267,975
PS Business Parks, 6.875%, Series I		54,950	854,473
PS Business Parks, 7.95%, Series K ^a		230,000	4,250,400
			6,372,848
RESIDENTIAL APARTMENT	0.4%		
Apartment Investment & Management Co., 8.00%, Series V		87,000	1,195,380
Apartment Investment & Management Co., 7.875%, Series Y		93,000	1,278,750
			2,474,130
SELF STORAGE	0.5%		
Public Storage, 6.45%, Series X ^a		150,000	2,706,000
SHOPPING CENTER	1.2%		
COMMUNITY CENTER	1.0%		
Cedar Shopping Centers, 8.875%, Series A		121,125	1,681,215
Developers Diversified Realty Corp., 7.50%, Series I		302,000	2,322,380
Kimco Realty Corp., 7.75%, Series G ^a		100,000	1,800,000
			5,803,595
REGIONAL MALL	0.2%		
CBL & Associates Properties, 7.75%, Series C		126,931	1,015,448
TOTAL SHOPPING CENTER			6,819,043

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2008

		Number of Shares	Value
SPECIALTY	0.2%		
Digital Realty Trust, 8.50%, Series A		56,000	\$ 896,000
TOTAL REAL ESTATE			49,708,137
UTILITIES	2.8%		
ELECTRIC UTILITIES	1.2%		
American Electric Power Co., 8.75%		93,383	2,469,980
Entergy Louisiana LLC, 7.60%, due 4/1/32 ^a		172,063	4,172,528
FPL Group Capital, 7.45%, due 9/1/67, Series E ^a		10,075	260,036
			6,902,544
MULTI UTILITIES	1.6%		
Constellation Energy Group, 8.625%, due 6/15/63, Series A		152,050	2,949,770
PPL Electric Utilities Corp., 6.25%		100,000	2,025,000
Xcel Energy, 7.60% ^a		167,500	4,175,775
			9,150,545
TOTAL UTILITIES			16,053,089
TOTAL PREFERRED SECURITIES \$25 PAR VALUE			
(Identified cost \$188,780,751)			129,856,178
PREFERRED SECURITIES CAPITAL SECURITIES	11.7%		
BANK	4.2%		
Bank of America Corp., 8.00%, due 12/29/49		5,000,000	3,601,600
Citigroup, 8.40%, due 4/30/49		4,930,000	3,261,392
CoBank ACB, 11.00%, Series C, 144A ^e		80,000	4,229,480
JPMorgan Chase, 7.90%, due 4/29/49		4,500,000	3,753,117
PNC Preferred Funding Trust I, 8.70%, due 2/28/49, 144A ^e		5,400,000	4,000,126
Wachovia Corp., 7.98%, due 12/31/49		5,250,000	4,487,086
Webster Capital Trust IV, 7.65%, due 6/15/37		2,500,000	896,622
			24,229,423
BANK FOREIGN	0.6%		
Barclays Bank PLC, 7.434%, due 9/29/49, 144A ^e		2,000,000	1,012,460
BNP Paribas, 7.195%, due 12/31/49, 144A ^e		500,000	318,553
HSBC Capital Funding LP, 10.176%, due 12/29/49, 144A ^e		1,250,000	1,020,523
Royal Bank of Scotland Group PLC, 7.64%, due 3/31/49		3,250,000	1,295,872
			3,647,408

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2008

		Number of Shares	Value
ELECTRIC	1.7%		
MULTI UTILITIES	1.1%		
Dominion Resources, 7.50%, due 6/30/66, Series A		6,000,000	\$ 3,003,438
Dominion Resources Capital Trust I, 7.83%, due 12/1/27		2,000,000	1,790,292
PPL Capital Funding, 6.70%, due 3/30/67, Series A		4,000,000	1,762,140
			6,555,870
UTILITIES	0.6%		
DPL Capital Trust II, 8.125%, due 9/1/31		3,000,000	3,238,977
TOTAL ELECTRIC			9,794,847
FINANCE CREDIT CARD	0.2%		
Capital One Capital III, 7.686%, due 8/15/36		2,500,000	1,143,435
FOOD	1.4%		
Dairy Farmers of America, 7.875%, 144A ^{d,e}		52,500	3,063,050
HJ Heinz Finance Co, 8.00%, due 7/15/13, 144A ^e		47	4,843,937
			7,906,987
GAS UTILITIES	0.5%		
Southern Union Co., 7.20%, due 11/1/66		8,100,000	2,835,000
INSURANCE	2.0%		
MULTI-LINE	1.2%		
AFC Capital Trust I, 8.207%, due 2/3/27, Series B		7,000,000	3,255,000
Catlin Insurance Co., 7.249%, due 12/1/49, 144A ^e		4,000,000	1,592,680
Old Mutual Capital Funding, 8.00%, (Eurobond)		4,500,000	1,850,625
			6,698,305
PROPERTY CASUALTY	0.8%		
Liberty Mutual Group, 7.80%, due 3/15/37, 144A ^e		5,000,000	2,247,060
Liberty Mutual Insurance, 7.697%, due 10/15/97, 144A ^e		4,000,000	2,663,468
			4,910,528
TOTAL INSURANCE			11,608,833

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2008

		Number of Shares	Value
OIL EXPLORATION AND PRODUCTION	0.3%		
Pemex Project Funding Master Trust, 7.75%, due 9/28/49		2,000,000	\$ 1,577,500
PIPELINES	0.8%		
Enbridge Energy Partners LP, 8.05%, due 10/1/37		3,000,000	1,462,230
Enterprise Products Operating LP, 8.375%, due 8/1/66		5,580,000	3,072,504
			4,534,734
TOTAL PREFERRED SECURITIES CAPITAL SECURITIES			
(Identified cost \$108,398,966)			67,278,167
		Principal Amount	
CORPORATE BONDS	5.8%		
BANK FOREIGN	0.2%		
Natixis, 10.00%, due 4/29/49, 144A ^e		\$ 3,000,000	1,393,347
INSURANCE PROPERTY CASUALTY	1.0%		
ACE Capital Trust II, 9.70%, due 4/1/30		4,470,000	3,436,929
Liberty Mutual Group, 10.75%, due 6/15/58, 144A ^e		4,000,000	2,202,840
			5,639,769
INTEGRATED TELECOMMUNICATIONS SERVICES	1.7%		
Citizens Communications Co., 7.125%, due 3/15/19		3,000,000	2,025,000
Citizens Communications Co., 9.00%, due 8/15/31		7,550,000	4,794,250
Embarq Corp., 7.995%, due 6/1/36		4,000,000	2,705,616
			9,524,866
MEDIA	2.0%		
Cablevision Systems Corp., 8.00%, due 4/15/12		2,000,000	1,790,000
Rogers Cable, 8.75%, due 5/1/32		6,000,000	6,299,520
Time Warner Cable Inc., 8.75%, due 2/14/19		3,000,000	3,267,555
			11,357,075
PIPELINES	0.7%		
Enbridge Energy Partners LP, 9.875%, due 3/1/19		4,000,000	4,032,052
UTILITIES MULTI UTILITIES	0.2%		
Sempra Energy, 9.80%, due 2/15/19		1,000,000	1,117,490
TOTAL CORPORATE BONDS			
(Identified cost \$42,261,874)			33,064,599

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2008

		Number of Shares	Value
SHORT-TERM INVESTMENTS	7.0%		
MONEY MARKET FUNDS			
Dreyfus Treasury Cash Management Fund, 0.17% ^f		8,814,471	\$ 8,814,471
Federated U.S. Treasury Cash Reserves Fund, 0.40% ^f		28,926,871	28,926,871
Fidelity Institutional Money Market Treasury Only Fund, 0.54% ^f		2,101,118	2,101,118
TOTAL SHORT-TERM INVESTMENTS (Identified cost \$39,842,460)			39,842,460
TOTAL INVESTMENTS (Identified cost \$1,028,374,153)	168.3%		962,943,060
LIABILITIES IN EXCESS OF OTHER ASSETS	(17.3)%		(98,623,371)
LIQUIDATION VALUE OF PREFERRED SHARES	(51.0)%		(292,000,000)
NET ASSETS APPLICABLE TO COMMON SHARES (Equivalent to \$13.21 per share based on 43,320,750 shares of common stock outstanding)	100.0%		\$ 572,319,689

Glossary of Portfolio Abbreviations

ADR American Depositary Receipt

FRN Floating Rate Note

REIT Real Estate Investment Trust

Note: Percentages indicated are based on the net assets applicable to common shares of the Fund.

^a A portion or all of the security is pledged in connection with the revolving credit agreement: \$231,752,152 has been pledged as collateral.^b A portion of the security is segregated as collateral for interest rate swap transactions: \$20,232,950 has been segregated as collateral.^c Fair valued security. This security has been valued at its fair value as determined in good faith under procedures established by and under the general supervision of the Fund's Board of Directors. Aggregate fair value securities represent 7.1% of net assets applicable to common shares of the Fund, all of which have been fair valued pursuant to foreign security fair value pricing procedures approved by the Board of Directors.^d Illiquid security. Aggregate holdings equal 0.5% of net assets applicable to common shares of the Fund.^e Resale is restricted to qualified institutional investors. Aggregate holdings equal 5.0% of net assets applicable to common shares of the Fund.^f Rate quoted represents the seven day yield of the fund.

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

SCHEDULE OF INVESTMENTS (Continued)

December 31, 2008

Interest rate swaps outstanding at December 31, 2008 are as follows:

Counterparty	Notional Amount	Fixed Rate Payable	Floating Rate ^a (reset monthly) Receivable	Termination Date	Unrealized Depreciation
Merrill Lynch Derivative Products AG	\$ 35,000,000	3.510%	0.508%	December 22, 2012	\$ (2,172,337)
Royal Bank of Canada	\$ 35,000,000	3.525%	0.961%	October 17, 2012	(2,138,272)
Royal Bank of Canada	\$ 72,000,000	3.615%	0.471%	March 29, 2014	(5,428,916)
UBS AG	\$ 35,000,000	2.905%	0.471%	May 25, 2012	(1,276,151)
					\$ (11,015,676)

^a Based on LIBOR (London Interbank Offered Rate). Represents rates in effect at December 31, 2008.

See accompanying notes to financial statements.

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COHEN & STEERS SELECT UTILITY FUND, INC.

STATEMENT OF ASSETS AND LIABILITIES

December 31, 2008

ASSETS:	
Investments in securities, at value (Identified cost \$1,028,374,153)	\$ 962,943,060
Receivable for investment securities sold	7,687,262
Dividends and interest receivable	5,234,331
Other assets	674,991
Total Assets	976,539,644
LIABILITIES:	
Payable for revolving credit agreement	98,150,000
Unrealized depreciation on interest rate swap transactions	11,015,676
Payable for dividends declared on common shares	1,532,966
Payable for investment management fees	509,665
Payable for dividends declared on preferred shares	212,423
Payable for administration fees	47,046
Payable for interest expense	8,135
Payable for directors' fees	2,058
Other liabilities	741,986
Total Liabilities	112,219,955
LIQUIDATION VALUE OF PREFERRED SHARES	292,000,000
TOTAL NET ASSETS APPLICABLE TO COMMON SHARES	\$ 572,319,689
TOTAL NET ASSETS APPLICABLE TO COMMON SHARES consist of:	
Common stock (\$0.001 par value, 43,320,750 shares issued and outstanding)	\$ 703,227,211
Accumulated undistributed net investment income	4,450,522
Accumulated net realized loss	(58,903,710)
Net unrealized depreciation	(76,454,334)
	\$ 572,319,689
NET ASSET VALUE PER COMMON SHARE:	
(\$572,319,689 ÷ 43,320,750 shares outstanding)	\$ 13.21
MARKET PRICE PER COMMON SHARE	\$ 10.30
MARKET PRICE DISCOUNT TO NET ASSET VALUE PER COMMON SHARE	(22.03)%

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

STATEMENT OF OPERATIONS

For the Year Ended December 31, 2008

Investment Income:	
Dividend income (net of \$605,794 of foreign withholding tax)	\$ 69,538,393
Interest income	11,460,844
Total Income	80,999,237
Expenses:	
Investment management fees	13,426,409
Preferred remarketing fee	1,471,372
Administration fees	1,041,004
Line of credit fees	949,754
Professional fees	748,912
Reports to shareholders	746,106
Interest expense	578,989
Custodian fees and expenses	244,254
Directors' fees and expenses	53,216
Transfer agent fees and expenses	20,802
Registration and filing fees	16,180
Miscellaneous	218,413
Total Expenses	19,515,411
Reduction of Expenses (See Note 2)	(3,159,155)
Net Expenses	16,356,256
Net Investment Income	64,642,981
Net Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on:	
Investments	(61,185,618)
Options	7,613,854
Foreign currency transactions	(139,531)
Interest rate swap transactions	(8,376,909)
Net realized loss	(62,088,204)
Net change in unrealized appreciation (depreciation) on:	
Investments	(576,133,884)
Foreign currency translations	(7,464)
Interest rate swap transactions	(9,780,753)
Net change in unrealized appreciation (depreciation)	(585,922,101)
Net realized and unrealized loss	(648,010,305)
Net Decrease in Net Assets Resulting from Operations	(583,367,324)
Less Dividends to Preferred Shareholders	(23,023,645)
Net Decrease in Net Assets from Operations Applicable to Common Shares	\$ (606,390,969)

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

STATEMENT OF CHANGES IN NET ASSETS APPLICABLE TO COMMON SHARES

	For the Year Ended December 31, 2008	For the Year Ended December 31, 2007
Change in Net Assets Applicable to Common Shares:		
From Operations:		
Net investment income	\$ 64,642,981	\$ 65,101,392
Net realized gain (loss)	(62,088,204)	69,437,025
Net change in unrealized appreciation (depreciation)	(585,922,101)	80,766,398
Net increase (decrease) in net assets resulting from operations	(583,367,324)	215,304,815
Less Dividends and Distributions to Preferred Shareholders from:		
Net investment income	(23,023,645)	(17,393,092)
Net realized gain		(16,929,730)
Total dividends and distributions to preferred shareholders	(23,023,645)	(34,322,822)
Net increase (decrease) in net assets from operations applicable to common shares	(606,390,969)	180,981,993
Less Dividends and Distributions to Common Shareholders from:		
Net investment income	(35,295,528)	(52,055,999)
Net realized gain		(48,184,618)
Tax return of capital	(66,724,839)	(31,237,873)
Total dividends and distributions to common shareholders	(102,020,367)	(131,478,490)
Capital Stock Transactions:		
Decrease in net assets from preferred share offering cost adjustment	(4,920)	
Decrease in net assets from underwriting commissions and offering expenses from issuance of preferred shares		(1,075,000)
Decrease in net assets from fund share transactions	(4,920)	(1,075,000)
Total increase (decrease) in net assets applicable to common shares	(708,416,256)	48,428,503
Net Assets Applicable to Common Shares:		
Beginning of year	1,280,735,945	1,232,307,442
End of year ^a	\$ 572,319,689	\$ 1,280,735,945

^a Includes undistributed net investment income and dividends in excess of net investment income of \$4,450,522 and \$1,255,118, respectively.

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

FINANCIAL HIGHLIGHTS

The following table includes selected data for a common share outstanding throughout each period and other performance information derived from the financial statements. It should be read in conjunction with the financial statements and notes thereto.

Per Share Operating Performance:	Year Ended December 31,				For the Period
	2008	2007	2006	2005	March 30, 2004 ^a through December 31, 2004
Net asset value per common share, beginning of period	\$ 29.56	\$ 28.45	\$ 23.95	\$ 22.38	\$ 19.10
Income from investment operations:					
Net investment income	1.48	1.61	1.56	1.42 ^b	0.85 ^b
Net realized and unrealized gain (loss)	(14.94)	3.35	5.13	1.72	3.36
Total income (loss) from investment operations	(13.46)	4.96	6.69	3.14	4.21
Less dividends and distributions to preferred shareholders from:					
Net investment income	(0.53)	(0.40)	(0.51)	(0.37)	(0.12)
Net realized gain		(0.39)	(0.13)	(0.02)	(0.00) ^c
Total dividends and distributions to preferred shareholders	(0.53)	(0.79)	(0.64)	(0.39)	(0.12)
Total from investment operations applicable to common shares	(13.99)	4.17	6.05	2.75	4.09
Less: Preferred share offering cost adjustment	(0.00) ^c		0.00 ^c		
Offering costs charged to paid-in capital common shares					(0.04)
Offering costs charged to paid-in capital preferred shares		(0.02)		(0.02)	(0.14)
Anti-dilutive effect of common share offering					0.05
Total offering costs	(0.00)	(0.02)	0.00	(0.02)	(0.13)
Less dividends and distributions to common shareholders from:					
Net investment income	(0.82)	(1.20)	(1.05)	(1.03)	(0.67)
Net realized gain		(1.12)	(0.28)	(0.04)	(0.01)
Tax return of capital	(1.54)	(0.72)	(0.22)	(0.09)	(0.00) ^c
Total dividends and distributions to common shareholders	(2.36)	(3.04)	(1.55)	(1.16)	(0.68)
Net increase (decrease) in net asset value per common share	(16.35)	1.11	4.50	1.57	3.28
Net asset value, per common share, end of period	\$ 13.21	\$ 29.56	\$ 28.45	\$ 23.95	\$ 22.38
Market value, per common share, end of period	\$ 10.30	\$ 27.50	\$ 24.48	\$ 20.16	\$ 19.82
Net asset value total return ^d	49.17%	15.93%	27.30%	13.16%	21.57% ^e
Market value return ^d	57.40%	25.34%	30.13%	7.55%	2.82% ^e

See accompanying notes to financial statements.

COHEN & STEERS SELECT UTILITY FUND, INC.

FINANCIAL HIGHLIGHTS (Continued)

Ratios/Supplemental Data:	Year Ended December 31,				For the Period
	2008	2007	2006	2005	March 30, 2004 ^a through December 31, 2004
Net assets applicable to common shares, end of period (in millions)	\$ 572.3	\$ 1,280.7	\$ 1,232.3	\$ 1,037.6	\$ 969.4
Ratio of expenses to average daily net assets applicable to common shares (before expense reduction) ^f	2.00%	1.54%	1.59%	1.55%	1.51% ^g
Ratio of expenses to average daily net assets applicable to common shares (net of expense reduction) ^f	1.68%	1.24%	1.28%	1.26%	1.22% ^g
Ratio of expenses to average daily net assets applicable to common shares (net of expense reduction and excluding interest expense) ^f	1.62%				
Ratio of net investment income to average daily net assets applicable to common shares (before expense reduction) ^f	6.31%	4.67%	5.60%	5.72%	5.33% ^g
Ratio of net investment income to average daily net assets applicable to common shares (net of expense reduction) ^f	6.64%	4.97%	5.90%	6.02%	5.62% ^g
Ratio of expenses to average daily managed assets (before expense reduction) ^{f,h}	1.24%	1.04%	1.05%	1.05%	1.06% ^g
Ratio of expenses to average daily managed assets (net of expense reduction) ^{f,h}	1.04%	0.84%	0.85%	0.85%	0.86% ^g
Portfolio turnover rate	29%	23%	15%	23%	14% ^e
Preferred Shares/Revolving Credit Agreement:					
Liquidation value, end of period (in 000's)	\$ 292,000	\$ 652,000	\$ 567,000	\$ 567,000	\$ 492,000
Total shares outstanding (in 000's)	12	26	23	23	20
Asset coverage ratio for revolving credit agreement	981%				
Asset coverage per \$1,000 for revolving credit agreement	\$ 9,806	\$	\$	\$	\$
Asset coverage ratio for auction market preferred shares ⁱ	247%	296%	317%	283%	297%
Asset coverage per share for auction market preferred shares ⁱ	\$ 61,750	\$ 74,108	\$ 79,335	\$ 70,748	\$ 74,259
Liquidation preference per share	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Average market value per share ^j	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000

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^a Commencement of operations.

^b Calculation based on average shares outstanding.

^c Amount is less than \$0.005.

^d Total market value return is computed based upon the New York Stock Exchange market price of the Fund's shares and excludes the effects of brokerage commissions. Total net asset value return measures the changes in value over the period indicated, taking into account dividends as reinvested. Dividends and distributions, if any, are assumed for purposes of these calculations, to be reinvested at prices obtained under the Fund's dividend reinvestment plan.

^e Not annualized.

^f Ratios do not reflect dividend payments to preferred shareholders.

^g Annualized.

^h Average daily managed assets represent net assets applicable to common shares plus liquidation preference of preferred shares and the outstanding balance of the revolving credit agreement.

ⁱ Includes the effect of the outstanding borrowings from the revolving credit agreement.

^j Based on weekly prices.

See accompanying notes to financial statements.

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COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS

Note 1. Significant Accounting Policies

Cohen & Steers Select Utility Fund, Inc. (the Fund) was incorporated under the laws of the State of Maryland on January 8, 2004 and is registered under the Investment Company Act of 1940, as amended, as a nondiversified closed-end management investment company. The Fund's investment objective is a high level of after-tax total return.

The following is a summary of significant accounting policies consistently followed by the Fund in the preparation of its financial statements. The policies are in conformity with accounting principles generally accepted in the United States of America (GAAP). The preparation of the financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

Portfolio Valuation: Investments in securities that are listed on the New York Stock Exchange are valued, except as indicated below, at the last sale price reflected at the close of the New York Stock Exchange on the business day as of which such value is being determined. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day or, if no asked price is available, at the bid price. Exchange traded options are valued at their last sale price as of the close of options trading on applicable exchanges. In the absence of a last sale, options are valued at the average of the quoted bid and asked prices as of the close of business. Over-the-counter options quotations are provided by the respective counterparty.

Securities not listed on the New York Stock Exchange but listed on other domestic or foreign securities exchanges or admitted to trading on the National Association of Securities Dealers Automated Quotations, Inc. (Nasdaq) national market system are valued in a similar manner. Securities traded on more than one securities exchange are valued at the last sale price on the business day as of which such value is being determined as reflected on the tape at the close of the exchange representing the principal market for such securities.

Readily marketable securities traded in the over-the-counter market, including listed securities whose primary market is believed by Cohen & Steers Capital Management, Inc. (the investment manager) to be over-the-counter, but excluding securities admitted to trading on the Nasdaq National List, are valued at the official closing prices as reported by Nasdaq, the National Quotation Bureau, or such other comparable sources as the Board of Directors deem appropriate to reflect their fair market value. If there has been no sale on such day, the securities are valued at the mean of the closing bid and asked prices for the day, or if no asked price is available, at the bid price. However, certain fixed-income securities may be valued on the basis of prices provided by a pricing service when such prices are believed by the Board of Directors to reflect the fair market value of such securities. Where securities are traded on more than one exchange and also over-the-counter, the securities will generally be valued using the quotations the Board of Directors believes most closely reflect the value of such securities.

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

Portfolio securities primarily traded on foreign markets are generally valued at the closing values of such securities on their respective exchanges or if after the close of the foreign markets, but prior to the close of business on the day the securities are being valued, market conditions change significantly, certain foreign securities may be fair valued pursuant to procedures established by the Board of Directors.

Securities for which market prices are unavailable, or securities for which the investment manager determines that bid and/or asked price does not reflect market value, will be valued at fair value pursuant to procedures approved by the Fund's Board of Directors. Circumstances in which market prices may be unavailable include, but are not limited to, when trading in a security is suspended, the exchange on which the security is traded is subject to an unscheduled close or disruption or material events occur after the close of the exchange on which the security is principally traded. In these circumstances, the Fund determines fair value in a manner that fairly reflects the market value of the security on the valuation date based on consideration of any information or factors it deems appropriate. These may include recent transactions in comparable securities, information relating to the specific security and developments in the markets.

The Fund's use of fair value pricing may cause the net asset value of Fund shares to differ from the net asset value that would be calculated using market quotations. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security may be materially different than the value that could be realized upon the sale of that security.

Short-term debt securities, which have a maturity date of 60 days or less, are valued at amortized cost, which approximates value.

The Fund adopted Financial Accounting Standards Board Statement of Financial Accounting Standards No. 157, "Fair Value Measurements" ("FAS 157"), effective January 1, 2008. In accordance with FAS 157, fair value is defined as the price that the Fund would receive to sell an investment or pay to transfer a liability in a timely transaction with an independent buyer in the principal market, or in the absence of a principal market the most advantageous market for the investment or liability. FAS 157 establishes a single definition of fair value, creates a three-tier hierarchy as a framework for measuring fair value based on inputs used to value the Fund's investments, and requires additional disclosure about fair value. The hierarchy of inputs is summarized below.

Level 1 quoted prices in active markets for identical investments

Level 2 other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments)

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

The following is a summary of the inputs used as of December 31, 2008 in valuing the Fund's investments carried at value:

	Total	Fair Value Measurements at December 31, 2008 Using		
		Quoted Prices In Active Market for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments in Securities	\$ 962,943,061	\$ 777,392,963	\$ 182,487,048	\$ 3,063,050
Other Financial Instruments*	(11,015,676)		(11,015,676)	

* Other financial instruments are interest rate swap contracts.

Following is a reconciliation of investments in which significant unobservable inputs (Level 3) were used in determining fair value:

	Investments in Securities
Balance as of December 31, 2007	\$ 9,716,400
Realized loss	(2,616,027)
Change in unrealized appreciation	740,668
Net sales	(4,777,991)
Balance as of December 31, 2008	\$ 3,063,050

Security Transactions and Investment Income: Security transactions are recorded on trade date. Realized gains and losses on investments sold are recorded on the basis of identified cost. Interest income is recorded on the accrual basis. Discounts are accreted and premiums are amortized over the life of the respective securities. Dividend income is recorded on the ex-dividend date except for certain dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date. The Fund records distributions received in excess of income from underlying investments as a reduction of cost of investments and/or realized gain. Such amounts are based on estimates if actual amounts are not available, and actual amounts of income, realized gain and return of capital may differ from the estimated amounts. The Fund adjusts the estimated amounts of the components of distributions (and consequently its net investment income) as an increase to unrealized appreciation/(depreciation) and realized gain/(loss) on investments as necessary once the issuers provide information about the actual composition of the distributions.

Options: The Fund may write covered call options on an index or a security. When a Fund writes (sells) an option, an amount equal to the premium received by the Fund is recorded in the Statement of Assets and Liabilities as a liability. The amount of the liability is subsequently marked-to-market to reflect the current market value of

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

the option written. When an option expires, the Fund realizes a gain or loss on the option to the extent of the premiums received. Premiums received from writing options which are exercised or are closed, are added to or offset against the proceeds or amount paid on the transaction to determine the realized gain or loss. The Fund, as writer of an option, bears the market risk of an unfavorable change in the price of the underlying index or security. Other risks include the possibility of an illiquid options market or the inability of the counterparties to fulfill their obligations under the contract.

Foreign Currency Translations: The books and records of the Fund are maintained in U.S. dollars as follows: (1) the foreign currency market value of investment securities, other assets and liabilities and foreign currency contracts are translated at the exchange rates prevailing at the end of the period; and (2) purchases, sales, income and expenses are translated at the exchange rates prevailing on the respective dates of such transactions. The resultant exchange gains and losses are recorded as realized and unrealized gain/loss on foreign exchange transactions. Pursuant to U.S. federal income tax regulations, certain foreign exchange gains/losses included in realized and unrealized gain/loss are included in or are a reduction of ordinary income for federal income tax purposes. The Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the changes in the market prices of the securities.

Foreign Securities: The Fund may directly purchase securities of foreign issuers. Investing in securities of foreign issuers involves special risks not typically associated with investing in securities of U.S. issuers. The risks include possible revaluation of currencies, the ability to repatriate funds, less complete financial information about companies and possible future adverse political and economic developments. Moreover, securities of many foreign issuers and their markets may be less liquid and their prices more volatile than those of securities of comparable U.S. issuers.

Interest Rate Swaps: The Fund uses interest rate swaps in connection with the sale of preferred shares and borrowings under its credit agreement. The interest rate swaps are intended to reduce the risk that an increase in short-term interest rates could have on the performance of the Fund's common shares as a result of the floating rate structure of the preferred shares and the credit agreement. In these interest rate swaps, the Fund agrees to pay the other party to the interest rate swap (which is known as the counterparty) a fixed rate payment in exchange for the counterparty agreeing to pay the Fund a variable rate payment that is intended to approximate the Fund's variable rate payment obligation on the preferred shares and the credit agreement. The payment obligation is based on the notional amount of the swap. Depending on the state of interest rates in general, the use of interest rate swaps could enhance or harm the overall performance of the common shares. The market value of interest rate swaps is based on pricing models that consider the time value of money, volatility, the current market and contractual prices of the underlying financial instrument. Unrealized appreciation is reported as an asset and unrealized depreciation is reported as a liability on the Statement of Assets and Liabilities. The change in value of swaps, including the accrual of periodic amounts of interest to be paid or received on swaps, is reported as

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

unrealized appreciation or depreciation in the Statement of Operations. A realized gain or loss is recorded upon payment or receipt of a periodic payment or termination of swap agreements. Swap agreements involve, to varying degrees, elements of market and counterparty risk, and exposure to loss in excess of the related amounts reflected in the Statement of Assets and Liabilities.

For each swap counterparty, the Fund entered into an International Swap Dealers Association Inc. Master Agreement and related annexes thereto ("ISDAs") which sets forth the general terms and conditions of the Fund's swap transactions. During 2008, the Fund notified Merrill Lynch Derivative Products AG ("MLDP"), UBS AG ("UBS") and Royal Bank of Canada ("RBC") that it breached certain terms and conditions of its ISDAs. On November 21, 2008, UBS granted a conditional waiver to the Fund stating that UBS did not intend to presently exercise its rights under the ISDA.

At December 31, 2008, the Fund continues to operate under the existing terms of all of its various ISDAs, including those with MLDP, UBS and RBC. However, MLDP, UBS and RBC reserve any and all rights to take any future action with respect to such events, including termination of outstanding swap transactions; termination or renegotiation of the ISDAs; posting of collateral in the form of cash or U.S. Treasury securities representing the unrealized depreciation on outstanding interest rate swap transactions or continuation under the current terms of the ISDAs. Any action resulting in the early termination of an interest rate swap transaction would cause the Fund to realize any market depreciation that existed on such transaction. In addition to realizing such losses, the early termination of a swap transaction may generate additional expenses for the Fund.

Dividends and Distributions to Shareholders: Dividends from net investment income and capital gain distributions are determined in accordance with U.S. federal income tax regulations, which may differ from GAAP. Dividends from net investment income are declared and paid monthly. Commencing in 2009, dividends will be declared and paid quarterly. Net realized capital gains, unless offset by any available capital loss carryforward, are typically distributed to shareholders at least annually. Dividends and distributions to shareholders are recorded on the ex-dividend date and are automatically reinvested in full and fractional shares of the Fund unless the shareholder has elected to have them paid in cash.

Distributions paid by the Fund are subject to recharacterization for tax purposes. Based upon the results of operations for the year ended December 31, 2008, a portion of the dividends have been reclassified to return of capital.

Series M7, Series T7, Series T7-2, Series W7, Series TH7 and Series F7 preferred shares pay dividends based on a variable interest rate set at auctions, normally held every seven days. The dividends are declared and recorded for the subsequent seven day period on the auction date. In most instances, dividends are payable every seven days, on the first business day following the end of the dividend period.

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

Series T28 and Series TH28 preferred shares pay dividends based on a variable interest rate set at auctions, normally held every 28 days. The dividends are declared and recorded for the subsequent 28 day period on the auction date. In most instances, dividends are payable every 28 days, on the first business day following the end of the dividend period.

Income Taxes: It is the policy of the Fund to continue to qualify as a regulated investment company, if such qualification is in the best interest of the shareholders, by complying with the requirements of Subchapter M of the Internal Revenue Code applicable to regulated investment companies, and by distributing substantially all of its taxable earnings to its shareholders. Accordingly, no provision for federal income or excise tax is necessary. The Fund has adopted the provisions of FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes (FIN 48).

FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position must meet before being recognized in the financial statements. An assessment of the Fund's tax positions has been made and it has been determined that there is no impact to the Fund's financial statements. Each of the Fund's federal tax returns for the prior three fiscal years remains subject to examination by the Internal Revenue Service.

Note 2. Investment Management Fees, Administration Fees and Other Transactions with Affiliates

Investment Management Fees: The investment manager serves as the Fund's investment manager pursuant to an investment management agreement (the management agreement). Under the terms of the management agreement, the investment manager provides the Fund with day-to-day investment decisions and generally manages the Fund's investments in accordance with the stated policies of the Fund, subject to the supervision of the Board of Directors.

For the services under the management agreement, the Fund pays the investment manager a management fee, accrued daily and paid monthly, at an annual rate of 0.85% of the Fund's average daily managed asset value. Managed asset value is the net asset value of the common shares plus the liquidation preference of the preferred shares and/or the amount of any loan outstanding.

The investment manager has contractually agreed to waive its investment management fee in the amount of 0.20% of average daily managed asset value for the first five years of the Fund's operations, 0.15% of average daily managed asset value in year six, 0.10% of average daily managed asset value in year seven and 0.05% of average daily managed asset value in year eight. During the year ended December 31, 2008 the investment manager waived its fee at the annual rate of 0.20%.

Administration Fees: The Fund has entered into an administration agreement with the investment manager under which the investment manager performs certain administrative functions for the Fund and receives a fee, accrued daily and paid monthly, at the annual rate of 0.06% of the Fund's average daily managed assets up to \$1 billion, 0.04% of

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

the Fund's average daily managed assets in excess of \$1 billion up to \$1.5 billion and 0.02% of the Fund's average daily managed assets in excess of \$1.5 billion. For the year ended December 31, 2008, the Fund incurred \$791,150 in administration fees. Additionally, the Fund pays State Street Bank and Trust Company as sub-administrator under a Fund accounting and administration agreement.

Directors' and Officers' Fees: Certain directors and officers of the Fund are also directors, officers, and/or employees of the investment manager. The Fund does not pay compensation to any affiliated directors and officers except for the Chief Compliance Officer, who received \$16,168 from the Fund for the year ended December 31, 2008.

Note 3. Purchases and Sales of Securities

Purchases and sales of securities, excluding short-term investments, for the year ended December 31, 2008, totaled \$443,770,781 and \$812,061,791, respectively.

Transactions in options written during the year ended year ended December 31, 2008, were as follows:

	Number of Contracts	Premium
Options outstanding at December 31, 2007		\$
Options written	7,725,322	11,047,763
Options expired	(5,640,000)	(7,376,100)
Options terminated in closing transactions	(2,085,322)	(3,671,663)
Options outstanding at December 31, 2008		\$

Note 4. Income Tax Information

The tax character of dividends and distributions paid was as follows:

	For the Year Ended December 31,	
	2008	2007
Ordinary income	\$ 58,319,173	\$ 69,449,091
Long-term capital gains		65,114,348
Tax return of capital	66,724,839	31,237,873
Total dividends and distributions	\$ 125,044,012	\$ 165,801,312

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

As of December 31, 2008, the tax-basis components of accumulated earnings and the federal tax cost were as follows:

Cost for federal income tax purposes	\$ 1,023,126,650
Gross unrealized appreciation	105,125,130
Gross unrealized depreciation	(165,308,720)
Net unrealized depreciation	(60,183,590)
Other cost basis adjustments	(13,090,662)
Total net unrealized depreciation	\$ (73,274,252)

The other cost basis adjustments are primarily attributable to depreciation on interest rate swaps and book/tax adjustments on partnership investments.

As of December 31, 2008, the Fund had a net capital loss carryforward of \$57,633,270, which will expire on December 31, 2016. This carryforward may be used to offset future capital gains to the extent provided by regulations.

As of December 31, 2008, the Fund had temporary book/tax differences primarily attributable to wash sales on portfolio securities and permanent book/tax differences primarily attributable to differing treatment on interest rate swaps and income redesignations. To reflect reclassifications arising from the permanent differences, paid-in capital was charged \$2,990,213, accumulated net realized loss was credited \$3,608,381 and accumulated net investment income was charged \$618,168.

Note 5. Capital Stock

The Fund is authorized to issue 100 million shares of common stock at a par value of \$0.001 per share.

During the years ended December 31, 2008 and December 31, 2007, the Fund issued no shares of common stock, for the reinvestment of dividends.

On June 12, 2008, the Board of Directors of the Fund approved the delegation of its authority to management to effect repurchases, pursuant to management's discretion and subject to market conditions and investment considerations, of up to 10% of the Fund's total assets through the current fiscal year ending December 31, 2008. During the period of this report, the Fund did not effect any repurchases. On December 17, 2008, the Board of Directors authorized the continuation of the Share Repurchase Program through fiscal year ending December 31, 2009.

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

On February 14, 2007, the Fund issued 3,400 auction market preferred shares, Series T7-2 (par value \$0.001). Proceeds paid to the Fund amounted to \$83,925,000 after deduction of underwriting commissions and offering expenses of \$1,075,000. This issue has received a "AAA/Aaa" rating from Standard & Poor's and Moody's.

During the year ended December 31, 2008, an adjustment of \$4,920 was debited to common stock for differences between estimated and actual preferred offering costs.

The Fund's articles of incorporation authorize the issuance of Fund preferred shares, par value \$0.001 per share, in one or more classes or series, with rights as determined by the Board of Directors, by action of the Board of Directors without the approval of the common shareholders.

Preferred shares are senior to the Fund's common shares and will rank on a parity with shares of any other series of preferred shares, and with shares of any other series of preferred stock of the Fund, as to the payment of dividends and the distribution of assets upon liquidation. If the Fund does not timely cure a failure to (1) maintain a discounted value of its portfolio equal to the preferred shares basic maintenance amount, (2) maintain the 1940 Act preferred shares asset coverage, or (3) file a required certificate related to asset coverage on time, the preferred shares will be subject to a mandatory redemption at the redemption price of \$25,000 per share plus an amount equal to accumulated but unpaid dividends thereon to the date fixed for redemption. To the extent permitted under the 1940 Act and Maryland Law, the Fund at its option may without consent of the holders of preferred shares, redeem preferred shares having a dividend period of one year or less, in whole, or in part, on the business day after the last day of such dividend period upon not less than 15 calendar days and not more than 40 calendar days prior to notice. The optional redemption price is \$25,000 per share plus an amount equal to accumulated but unpaid dividends thereon to the date fixed for redemption.

The Fund's common shares and preferred shares have equal voting rights of one vote per share and vote together as a single class, except in certain circumstances regarding the election of directors. In addition, the affirmative vote of the holders of a majority, as defined in the 1940 Act, of the outstanding preferred shares shall be required to (1) approve any plan of reorganization that would adversely affect the preferred shares and (2) approve any matter that materially and adversely affects the rights, preferences, or powers of that series.

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

The following table reflects the preferred shares issued and outstanding in the amount of \$292,000,000 as of December 31, 2008, along with the range of dividend rates paid during the year ended December 31, 2008:

	Value	Range
Auction market preferred shares, Series M7, (\$25,000 liquidation value, \$0.001 par value, 1,523 shares issued and outstanding)	\$ 38,075,000	1.52%-5.94%
Auction market preferred shares, Series T7, (\$25,000 liquidation value, \$0.001 par value, 1,523 shares issued and outstanding)	\$ 38,075,000	1.58%-5.50%
Auction market preferred shares, Series T7-2, (\$25,000 liquidation value, \$0.001 par value, 1,523 shares issued and outstanding)	\$ 38,075,000	1.58%-5.50%
Auction market preferred shares, Series T28, (\$25,000 liquidation value, \$0.001 par value, 1,200 shares issued and outstanding)	\$ 30,000,000	2.79%-5.72%
Auction market preferred shares, Series W7, (\$25,000 liquidation value, \$0.001 par value, 1,523 shares issued and outstanding)	\$ 38,075,000	1.52%-5.77%
Auction market preferred shares, Series TH7, (\$25,000 liquidation value, \$0.001 par value, 1,342 shares issued and outstanding)	\$ 33,550,000	1.51%-6.01%
Auction market preferred shares, Series TH28, (\$25,000 liquidation value, \$0.001 par value, 1,523 shares issued and outstanding)	\$ 38,075,000	1.72%-5.30%
Auction market preferred shares, Series F7, (\$25,000 liquidation value, \$0.001 par value, 1,523 shares issued and outstanding)	\$ 38,075,000	1.51%-5.94%

The Articles Supplementary (the "Articles") creating each series of Auction Market Preferred Shares ("AMPS") provide for dividends to be paid at either the rate set in the current auction, or at the maximum rate as defined in the Articles if sufficient clearing bids for the AMPS are not received in the current auction. Beginning on February 13, 2008, sufficient clearing bids were not received for the auctions for the AMPS series of the Fund, and therefore, the maximum rates were declared on the respective AMPS series. Based upon the current ratings of the AMPS, the maximum rate for shares of a series will be the greater of 125% of LIBOR or 125 basis points plus LIBOR.

An existing owner of AMPS may sell, transfer or dispose of AMPS only in an auction, pursuant to a bid or sell order in accordance with the auction procedures, or outside an auction, to or through a broker-dealer. Existing holders will be able to sell all of the AMPS that are the subject of their submitted sell orders only if there are bidders

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

willing to purchase those AMPS in the auction. An auction fails when there are an insufficient number of bidders. A failed auction is not a default. Dividends continue to be paid on the AMPS at the maximum rate rather than an auction rate. Broker-dealers, which have been appointed by the Fund to serve as dealers for the auctions, may submit a bid in an auction to avoid an auction failure, but are not obligated to do so. Due to liquidity concerns in the market, most broker-dealers have decided not to submit bids to purchase AMPS.

The AMPS continue to be rated Aaa by Moody's Investor Services and AAA by Standard & Poor's. In addition, the Fund continues to meet certain specified asset coverage tests required by the rating agencies as well as the 200% asset coverage test with respect to AMPS set forth in the Investment Company Act of 1940, as amended.

During the year ended December 31, 2008, the Fund redeemed \$360,000,000 or approximately 55% of its outstanding preferred shares at a redemption price of \$25,000 per share plus accrued but unpaid dividends. The partial redemption of the preferred shares was made on a pro rata basis across all preferred series. Redemptions were allocated among participating broker/dealers by the Depository Trust Company using a predetermined methodology and each broker/dealer allocated the redeemed shares to the underlying beneficiaries according to its own procedures.

The redemption amount and details are:

Series	Shares Outstanding 12/31/07	Number of Shares Redeemed	Shares Outstanding 12/31/08	Total Value 12/31/07	Amount Redeemed	Total Value 12/31/08
M7	3,400	1,877	1,523	\$ 85,000,000	\$ 46,925,000	\$ 38,075,000
T7	3,400	1,877	1,523	\$ 85,000,000	\$ 46,925,000	\$ 38,075,000
T7-2	3,400	1,877	1,523	\$ 85,000,000	\$ 46,925,000	\$ 38,075,000
T28	2,680	1,480	1,200	\$ 67,000,000	\$ 37,000,000	\$ 30,000,000
W7	3,400	1,877	1,523	\$ 85,000,000	\$ 46,925,000	\$ 38,075,000
TH7	3,000	1,658	1,342	\$ 75,000,000	\$ 41,450,000	\$ 33,550,000
TH28	3,400	1,877	1,523	\$ 85,000,000	\$ 46,925,000	\$ 38,075,000
F7	3,400	1,877	1,523	\$ 85,000,000	\$ 46,925,000	\$ 38,075,000
				\$ 652,000,000	\$ 360,000,000	\$ 292,000,000

Note 6. Borrowings

On September 23, 2008, the Fund entered into a \$360,000,000 revolving credit agreement (the credit agreement) with BNP Paribas Prime Brokerage Inc. (BNPP). The Fund pays a facility fee of 0.95% per annum on the unused portion of the credit agreement. The credit agreement has a 270-day rolling term that resets daily; however, if the Fund exceeds certain net asset value triggers the credit agreement may convert to a 60-day rolling term that resets daily. The Fund is required to segregate portfolio securities as collateral in an amount up to two

COHEN & STEERS SELECT UTILITY FUND, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

times the loan balance outstanding and has granted a security interest in the securities segregated to, and in favor of, BNPP as security for the loan balance outstanding. If the Fund fails to meet certain requirements, or maintain other financial covenants required under the credit agreement, the Fund may be required to repay immediately, in part or in full, the loan balance outstanding under the credit agreement necessitating the sale of portfolio securities at potentially inopportune times. The credit agreement also permits, subject to certain conditions, BNPP to re-hypothecate portfolio securities segregated by the Fund up to the amount of the loan balance outstanding. The Fund will receive a portion of the fees earned by BNPP in connection with the re-hypothecation of portfolio securities.

As of December 31, 2008 the Fund has an outstanding borrowing of \$98,150,000. During the year ended, the Fund borrowed an average daily balance of \$21,433,880 at a weighted average borrowing cost of 2.66%. During the year ended December 31, 2008, BNPP did not re-hypothecate portfolio securities.

Note 7. Other

In the normal course of business, the Fund enters into contracts that provide general indemnifications. The Fund's maximum exposure under these arrangements is dependent on claims that may be made against the Fund in the future and, therefore, cannot be estimated; however, based on experience, the risk of material loss from such claims is considered remote.

Note 8. New Accounting Pronouncement

In March 2008, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 161, Disclosures about Derivative Instruments and Hedging Activities ("FAS 161"), an amendment of FASB Statement No. 133. FAS 161 requires enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for, and (c) how derivative instruments and related hedged items affect the Fund's financial position, financial performance, and cash flows. Management is currently evaluating the impact the adoption of this pronouncement will have on the Fund's financial statements. FAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008.

COHEN & STEERS SELECT UTILITY FUND, INC.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders of
Cohen & Steers Select Utility Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of Cohen & Steers Select Utility Fund, Inc. (the "Fund") at December 31, 2008, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the periods presented, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at December 31, 2008 by correspondence with the custodian and brokers, provide a reasonable basis for our opinion.

PricewaterhouseCoopers LLP
New York, New York
February 23, 2009

COHEN & STEERS SELECT UTILITY FUND, INC.

AVERAGE ANNUAL TOTAL RETURNS

(periods ended December 31, 2008) (Unaudited)

Based on Net Asset Value		Based on Market Value	
One Year	Since Inception (3/30/04)	One Year	Since Inception (3/30/04)
49.17%	0.66%	57.40%	5.39%

The performance data quoted represent past performance. Past performance is no guarantee of future results. The investment return will vary and the principal value of an investment will fluctuate and shares, if sold, may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. Performance results reflect the effect of leverage resulting from the issuance of preferred shares and borrowings under a credit agreement.

TAX INFORMATION 2008 (Unaudited)

Pursuant to the Jobs and Growth Relief Reconciliation Act of 2003, the Fund designates qualified dividend income of \$55,150,095. Additionally, 72.4% of the ordinary dividends qualified for the dividends received deduction available to corporations.

REINVESTMENT PLAN

On March 18, 2008, the Board of Directors of the Fund approved changes to the Fund's dividend reinvestment plan (the "Plan"). The revised Plan is set forth below.

The Fund has a dividend reinvestment plan commonly referred to as an "opt-out" plan. Each common shareholder who participates in the Plan will have all distributions of dividends and capital gains ("Dividends") automatically reinvested in additional common shares by The Bank of New York Mellon as agent (the "Plan Agent"). Shareholders who elect not to participate in the Plan will receive all Dividends in cash paid by check mailed directly to the shareholder of record (or if the shares are held in street or other nominee name, then to the nominee) by the Plan Agent, as dividend disbursing agent. Shareholders whose common shares are held in the name of a broker or nominee should contact the broker or nominee to determine whether and how they may participate in the Plan.

The Plan Agent serves as agent for the shareholders in administering the Plan. After the Fund declares a Dividend, the Plan Agent will, as agent for the shareholders, either: (i) receive the cash payment and use it to buy common shares in the open market, on the NYSE or elsewhere, for the participants' accounts or (ii) distribute newly issued common shares of the Fund on behalf of the participants.

The Plan Agent will receive cash from the Fund with which to buy common shares in the open market if, on the Dividend payment date, the net asset value ("NAV") per share exceeds the market price per share plus estimated brokerage commissions on that date. The Plan Agent will receive the Dividend in newly issued common shares of the Fund if, on the Dividend payment date, the market price per share plus estimated brokerage commissions equals or exceeds the NAV per share of the Fund on that date. The number of shares to be issued will be computed

COHEN & STEERS SELECT UTILITY FUND, INC.

at a per share rate equal to the greater of (i) the NAV or (ii) 95% of the closing market price per share on the payment date.

If the market price per share is less than the NAV on a Dividend payment date, the Plan Agent will have until the last business day before the next ex-dividend date for the common stock, but in no event more than 30 days after the Dividend payment date (as the case may be, the "Purchase Period"), to invest the Dividend amount in shares acquired in open market purchases. If at the close of business on any day during the Purchase Period on which NAV is calculated the NAV on Dividend payment date equals or is less than the market price per share on such day plus estimated brokerage commissions, the Plan Agent will cease making open market purchases and the uninvested portion of such Dividends shall be filled through the issuance of new shares of common stock from the Fund at the price set forth in the immediately preceding paragraph.

Participants in the Plan may withdraw from the Plan upon notice to the Plan Agent. Such withdrawal will be effective immediately if received not less than ten days prior to a Dividend record date; otherwise, it will be effective for all subsequent Dividends. When a participant withdraws from the Plan or upon termination of the Plan as provided below, certificates for whole common shares credited to his or her account under the Plan will be issued and a cash payment will be made for any fraction of a common share credited to such account. If any participant elects to have the Plan Agent sell all or part of his or her shares and remit the proceeds, the Plan Agent is authorized to deduct a \$15.00 fee plus \$0.10 per share brokerage commissions.

The Plan Agent's fees for the handling of reinvestment of Dividends will be paid by the Fund. However, each participant will pay a pro rata share of brokerage commissions incurred with respect to the Plan Agent's open market purchases in connection with the reinvestment of Dividends. The automatic reinvestment of Dividends will not relieve participants of any income tax that may be payable or required to be withheld on such Dividends.

The Fund reserves the right to amend or terminate the Plan. All correspondence concerning the Plan should be directed to the Plan Agent at 800-432-8224.

OTHER INFORMATION

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities is available (i) without charge, upon request, by calling 800-330-7348, (ii) on our Web site at cohenandsteers.com or (iii) on the Securities and Exchange Commission's Web site at <http://www.sec.gov>. In addition, the Fund's proxy voting record for the most recent 12-month period ended June 30 is available (i) without charge, upon request, by calling 800-330-7348 or (ii) on the SEC's Web site at <http://www.sec.gov>.

The Fund files its complete schedule of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Fund's Forms N-Q are available (i) without charge, upon request by calling 800-330-7348, or (ii) on the SEC's Web site at <http://www.sec.gov>. In addition, the Forms N-Q may be reviewed and copied at the SEC's Public Reference Room in Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling 800-SEC-0330.

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Please note that the distributions paid by the Fund to shareholders are subject to recharacterization for tax purposes. The Fund may also pay distributions in excess of the Fund's net investment company taxable income and this excess would be a tax-free return of capital distributed from the Fund's assets. To the extent this occurs, the Fund's shareholders of record will be notified of the estimated amount of capital returned to shareholders for each such distribution and this information will also be available at cohenandsteers.com. The final tax treatment of all distributions is reported to shareholders on their 1099-DIV forms, which are mailed after the close of each calendar year. Distributions of capital decrease the Fund's total assets and, therefore, could have the effect of increasing the Fund's expense ratio. In addition, in order to make these distributions, the Fund may have to sell portfolio securities at a less than opportune time.

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940 that the Fund may purchase, from time to time, shares of its common stock in the open market.

On March 18, 2008, the Board of Directors of the Fund approved the expansion of the options strategy to permit the Fund to write options on custom baskets of securities and customized indexes and to remove any requirement that a fund must hold an exchange-traded fund ("ETF") as a portfolio security in order to write an option on an ETF.

The Fund may write covered call options on securities (including securities of ETFs), stock indices or custom baskets of securities that are traded on U.S. or foreign exchanges or over-the-counter (OTC). An option on a security is a contract that gives the purchaser of the option, in return for the premium paid, the right to buy a specified security (in the case of a call option) from the writer of the option at a designated price during the term of the option. An option on a securities index or basket of securities gives the purchaser of the option, in return for the premium paid, the right to receive from the seller cash equal to the difference between the closing price of the index or basket of securities and the exercise price of the option.

The Fund may write a call option on a security (other than securities of ETFs) only if the option is "covered." A call option on a security written by the Fund is covered if the Fund owns the underlying security covered by the call. The Fund will cover call options on ETFs, stock indices or custom baskets by owning securities whose price changes, in the opinion of the investment manager, are expected to be similar to those of the ETF, index or basket, or in such other manner as may be in accordance with the rules of any exchange on which the option is traded and other applicable laws and regulations. Nevertheless, where the Fund covers a call option on an ETF, stock index or custom basket through ownership of securities, such securities may not match the composition of the ETF, index or basket. In that event, the Fund will not be fully covered and could be subject to risk of loss in the event of adverse changes in the value of the ETF, index or basket.

The value of the underlying securities, ETFs, indices and baskets on which options may be written at any one time will not exceed 25% of the total managed assets of the Fund.

The Fund will receive a premium for writing a call option, which will increase the Fund's realized gains in the event the option expires unexercised or is closed out at a profit. If the value of a security, ETF, index or basket

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on which the Fund has written a call option falls or remains the same, the Fund will realize a profit in the form of the premium received (less transaction costs) that could offset all or a portion of any decline in the value of the portfolio securities being hedged. A rise in the value of the underlying security, ETF, index or basket, however, exposes the Fund to possible loss or loss of opportunity to realize appreciation in the value of the underlying security, ETF, index or basket.

There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position. Trading could be interrupted, for example, because of supply and demand imbalances arising from a lack of either buyers or sellers, or the options exchange could suspend trading after the price has risen or fallen more than the maximum specified by the exchange. In addition, when the Fund enters into OTC options (including options on custom baskets of securities), these options are not traded on or govern by the rules of any exchange, and the Fund's ability to close out an OTC option is subject to the terms of the option contract and the creditworthiness of the option counterparty. Although the Fund may be able to offset to some extent any adverse effects of being unable to liquidate an option position, the Fund may experience losses in some cases as a result of such inability.

On June 18, 2008, the Board of Directors of the Fund approved changes to the Fund's policies and procedures with respect to the disclosure of the Fund's portfolio securities permitting the Fund to post an uncertified list of portfolio holdings on the Web site at <http://www.cohenandsteers.com>, no earlier than 15 days after the end of each calendar quarter. The holdings information remains available until the Fund files a report on Form N-Q or Form NCSR for the period that includes the date as of which the information is current. In addition to information on portfolio holdings, other Fund statistical information may be found on the Cohen & Steers Funds' Web site or by calling 800-330-7348.

On October 3, 2008, the Board of Directors of the Fund approved changes to the Fund's investment policies to permit the Fund to invest in securities of other closed-end or open-end funds, including exchange traded funds ("ETFs"), in accordance with Section 12(d)(1) of the 1940 Act and the rules thereunder, or any exemption granted under the 1940 Act. An investment in the shares of another fund is subject to the risks associated with that fund's portfolio securities. To the extent the Fund invests in shares of another fund, Fund shareholders would indirectly pay a portion of that fund's expenses, including advisory fees, brokerage and other distribution expenses. These fees and expenses are in addition to the direct expenses of the Fund's own operations.

In connection with the ability of BNPP to re-hypothecate portfolio securities segregated by the Fund in connection with a credit agreement between the Fund and BNPP (See Note 6 in the Notes to Financial Statements), the Board of Directors of the Fund, on October 3, 2008, approved a securities lending program and adopted procedures consistent with the requirements imposed by the SEC to permit the Fund to lend portfolio securities to broker/dealers or other institutions. A borrower must maintain with the Fund cash or equivalent collateral equal to at least 100% of the market value of the securities loaned. During the time portfolio securities are on loan, the borrower pays the Fund any dividends or interest paid on the securities. Loans are subject to termination at the option of the Fund or the borrower. The Fund does not have the right to vote securities on loan, but retains the right to vote if a material adverse event occurs with respect to the investment. The Fund may lose money if a borrower defaults on its obligation to return the loaned securities and the value of the collateral held by the Fund is

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insufficient to replace the securities. Finally, dividends received from certain types of securities on loan are considered substitute payments and will lose the "qualified dividend income" or QDI benefit.

As required, the Fund has submitted to the New York Stock Exchange ("NYSE") the annual certification of the Fund's chief executive officer certifying as to compliance with of the NYSE's Corporate Governance listing standards. The Fund also has included the certifications of the Fund's chief executive officer and chief financial officer required by Section 302 of the Sarbanes-Oxley Act of 2002 as exhibits to its most recent Form N-CSR.

PRIVACY POLICY*

In the course of doing business with Cohen & Steers, you may share personal information with us. We are committed to maintaining the privacy of this information and recognize the importance of preventing unauthorized access to it. You may provide personal information on account applications and requests for forms or other literature (such as your address and social security number) and through account transactions with us (such as purchases, sales and account balances). You may also provide us with this information through written, electronic and telephone account inquiries.

We do not sell personal information about current and former customers to anyone, and we do not disclose it unless necessary to process a transaction, service an account or as otherwise required or permitted by law. For example, we may disclose information to companies that perform administrative services for Cohen & Steers, such as transfer agents, or printers that assist us in the distribution of investor materials. These organizations will use this information only for purposes of providing the required services or as otherwise may be required by law. We may also share personal information within the Cohen & Steers family of companies to provide you with additional information about our products and services.

We maintain physical, electronic and procedural safeguards to protect your personal information. Within Cohen & Steers, we restrict access to your personal information to those employees who need it to perform their jobs, such as servicing your account or informing you of new products and services.

The accuracy of your personal information is important. If you need to correct or update your personal or account information, please call us at 800-330-7348. We will be happy to review, correct or update your personal or account information.

APPROVAL OF INVESTMENT MANAGEMENT AGREEMENT

The Board of Directors of the Fund, including a majority of the directors who are not parties to the Fund's investment management agreement (the "Management Agreement"), or interested persons of any such party ("Independent Directors"), has the responsibility under the 1940 Act to approve the Fund's Management Agreement for its initial two year term and its continuation annually thereafter at a meeting of the Board of Directors called for the purpose of voting on the approval or continuation. At a meeting held in person on December 16 - 17, 2008, the Management Agreement was discussed and was unanimously continued for a one-year term by the Fund's Board

* This privacy policy applies to the following Cohen & Steers companies: Cohen & Steers Capital Management, Inc., Cohen & Steers Securities, LLC, Cohen & Steers Capital Advisors, LLC and the Cohen & Steers Funds.

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of Directors, including the Independent Directors. The Independent Directors were represented by independent counsel who assisted them in their deliberations during the meeting and executive session.

In considering whether to continue the Management Agreement, the Board of Directors reviewed materials provided by the Fund's investment manager (the "Investment Manager") and Fund counsel which included, among other things, fee, expense and performance information compared to peer funds ("Peer Funds") prepared by an independent data provider, supplemental performance and summary information prepared by the Investment Manager, and memoranda outlining the legal duties of the Board of Directors. The Board of Directors also spoke directly with representatives of the independent data provider and met with investment management personnel. In addition, the Board of Directors considered information provided from time to time by the Investment Manager throughout the year at meetings of the Board of Directors, including presentations by portfolio managers relating to the investment performance of the Fund and the investment strategies used in pursuing the Fund's objective. In particular, the Board of Directors considered the following:

(i) The nature, extent and quality of services to be provided by the Investment Manager: The Board of Directors reviewed the services that the Investment Manager provides to the Fund, including, but not limited to, making the day-to-day investment decisions for the Fund, and generally managing the Fund's investments in accordance with the stated policies of the Fund. The Board of Directors also discussed with officers and portfolio managers of the Fund the amount of time the Investment Manager dedicates to the Fund and the types of transactions that were being done on behalf of the Fund. Additionally, the Board of Directors took into account the services provided by the Investment Manager to its other funds, including those that invest substantially in utility securities and have investment objectives and strategies similar to the Fund.

The Board of Directors next considered the education, background and experience of the Investment Manager's personnel, noting particularly that the favorable history and reputation of the portfolio managers for the Fund, has had, and would likely continue to have, a favorable impact on the success of the Fund. The Board of Directors further noted the Investment Manager's ability to attract quality and experienced personnel. The Board of Directors then considered the administrative services provided by the Investment Manager, including compliance and accounting services. After consideration of the above factors, among others, the Board of Directors concluded that the nature, quality and extent of services provided by the Investment Manager are adequate and appropriate.

(ii) Investment performance of the Fund and the Investment Manager: The Board of Directors considered the investment performance of the Fund compared to Peer Funds and compared to relevant benchmarks. The Board of Directors noted that the Fund underperformed the median of the Peer Funds for the one- and three-year periods and also noted that the Fund has underperformed its blended benchmark over the same time periods. The Board of Directors also considered the Investment Manager's performance in managing other funds that invest in utility securities. The Board of Directors determined that Fund performance, in light of all the considerations noted above, was satisfactory.

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(iii) Cost of the services to be provided and profits to be realized by the Investment Manager from the relationship with the Fund: Next, the Board of Directors considered the management fees and administrative fees payable by the Fund, as well as total expense ratios. As part of their analysis, the Board of Directors gave substantial consideration to the fee and expense analyses provided by the independent data provider. The Board of Directors noted that the actual management fees at common and managed asset levels were lower than the Peer Fund median, but that the contractual management fees were higher than the Peer Fund median. The Board of Directors noted that the Fund's net expense ratios at managed and common asset levels were lower than the Peer Fund median. The Board of Directors concluded that the Fund's current expense structure is competitive in the peer group.

The Board of Directors also reviewed information regarding the profitability to the Investment Manager of its relationship with the Fund. The Board of Directors considered the level of the Investment Manager's profits and whether the profits were reasonable for the Investment Manager. The Board of Directors noted that the Investment Manager was currently waiving fees and/or reimbursing expenses for the Fund. The Board of Directors took into consideration other benefits to be derived by the Investment Manager in connection with the Management Agreement, noting particularly the research and related services, within the meaning of Section 28(e) of the Securities Exchange Act of 1934, as amended, that the Investment Manager receives by allocating the Fund's brokerage transactions. The Board of Directors also considered the fees received by the Investment Manager from its administrative relationship with the Fund, but noted the significant services received, such as operational services and furnishing office space and facilities for the Fund, and providing persons satisfactory to the Board of Directors to serve as officers of the Fund, and that these services were beneficial to the Fund. The Board of Directors concluded that the profits realized by the Investment Manager from its administrative relationship with the Fund were reasonable and consistent with fiduciary duties.

(iv) The extent to which economies of scale would be realized as the Fund grows and whether fee levels would reflect such economies of scale:

The Board of Directors considered that as a closed-end fund, the Fund would not be expected to have inflows of capital that might produce increasing economies of scale. The Board of Directors determined that, given the Fund's closed-end structure, shareholders appropriately benefited from economies of scale.

(v) Comparison of services rendered and fees paid to those under other investment management contracts, such as contracts of the same and other investment managers or other clients: As discussed above in (i) and (iii), the Board of Directors compared both the services rendered and the fees paid under the Management Agreement to those under other investment management contracts of other investment managers managing Peer Funds. The Board of Directors also compared both the services rendered and the fees paid under the Management Agreement to the Investment Manager's other fund advisory agreements. The Board of Directors determined that on a comparative basis the fees under the Management Agreement were reasonable in relation to the services provided.

No single factor was cited as determinative to the decision of the Board of Directors. Rather, after weighing all of the considerations and conclusions discussed above, the Board of Directors, including the Independent Directors, unanimously approved the continuation of the Management Agreement.

COHEN & STEERS SELECT UTILITY FUND, INC.

MANAGEMENT OF THE FUND

The business and affairs of the Fund are managed under the direction of the Board of Directors. The Board of Directors approves all significant agreements between the Fund and persons or companies furnishing services to it, including the Fund's agreements with its advisor, administrator, custodian and transfer agent. The management of the Fund's day-to-day operations is delegated to its officers, the advisor and the Fund's administrator, subject always to the investment objective and policies of the Fund and to the general supervision of the Board of Directors.

The directors and officers of the Fund and their principal occupations during the past five years are set forth below. The statement of additional information (SAI) includes additional information about fund directors and is available, without charge, upon request by calling 1-800-330-7348.

Name, Address and Age*	Position(s) Held With Fund	Term of Office	Principal Occupation During Past 5 Years (Including Other Directorships Held) <i>Interested Directors¹</i>	Number of Funds Within Fund Complex Overseen by Director (Including the Fund)	Length of Time Served**
Robert H. Steers Age: 55	Director and Co-Chairman	2009	Co-Chairman and Co-Chief Executive Officer of Cohen & Steers Capital Management, Inc. (CSCM), the fund's investment manager, and its parent company, Cohen & Steers, Inc. (CNS) since 2004. Vice President and Director, Cohen & Steers Securities, LLC (CSSL), the Cohen & Steers open-end funds' distributor. Prior thereto, Chairman of CSCM and the Cohen & Steers funds.	21	1991 to present
Martin Cohen Age: 60	Director and Co-Chairman	2010	Co-Chairman and Co-Chief Executive Officer of CSCM and CNS. Vice President and Director of CSSL. Prior thereto, President of the CSCM and the Cohen & Steers funds.	21	1991 to present

(table continued on next page)

* The address for each director is 280 Park Avenue, New York, NY 10017.

** The length of time served represents the year in which the director was first elected or appointed to any fund in the Cohen & Steers fund complex.

¹ "Interested person", as defined in the 1940 Act, of the Fund because of affiliation with CSCM.

COHEN & STEERS SELECT UTILITY FUND, INC.*(table continued from previous page)*

Name, Address and Age*	Position(s) Held With Fund	Term of Office	Principal Occupation During Past 5 Years (Including Other Directorships Held) <i>Disinterested Directors</i>	Number of Funds Within Fund Complex Overseen by Director (Including the Fund)	Length of Time Served**
Bonnie Cohen ² Age: 66	Director	2011	Consultant. Director, Reis, Inc. (formerly Wellsford Real Property); Vice-Chair of the Board of Global Heritage Fund; Investment Committee, The Moriah Fund; Advisory Committee member, The Posse Foundation; Vice-Chair, District of Columbia Public Libraries; Board member, Washington National Opera. Former Under Secretary of State for Management, United States Department of State, 1996-2000.	21	2001 to present
George Grossman Age: 55	Director	2009	Attorney-at-law	21	1993 to present
Richard E. Kroon Age: 66	Director	2011	Member of Investment Committee, Monmouth University; retired Chairman and Managing Partner of the Sprout Group venture capital funds, then an affiliate of Donaldson, Lufkin & Jenrette Securities Corporation; and former Chairman of the National Venture Capital Association.	21	2004 to present
Richard J. Norman Age: 65	Director	2010	Private Investor. Advisory Board Member of the Salvation Army. Member of the Chaplain's Core DC Department of Corrections. Prior thereto, Investment Representative of Morgan Stanley Dean Witter.	21	2001 to present

(table continued on next page)

* The address for each director is 280 Park Avenue, New York, NY 10017.

** The length of time served represents the year in which the director was first elected or appointed to any fund in the Cohen & Steers fund complex.

² Martin Cohen and Bonnie Cohen are not related.

COHEN & STEERS SELECT UTILITY FUND, INC.

(table continued from previous page)

Name, Address and Age*	Position(s) Held With Fund	Term of Office	Principal Occupation During Past 5 Years (Including Other Directorships Held)	Number of Funds Within Fund Complex Overseen by Director (Including the Fund)	Length of Time Served**
Frank K. Ross Age: 65	Director	2010	Professor of Accounting, Howard University; Board member of Pepco Holdings, Inc. (electric utility). Formerly, Midatlantic Area Managing Partner for Audit and Risk Advisory Services at KPMG LLP and Managing Partner of its Washington, DC office.	21	2004 to present
Willard H. Smith Jr. Age: 72	Director	2011	Board member of Essex Property Trust Inc., Realty Income Corporation and Crest Net Lease, Inc. Managing Director at Merrill Lynch & Co., Equity Capital Markets Division from 1983 to 1995.	21	1996 to present
C. Edward Ward Jr. Age: 62	Director	2009	Member of the Board of Trustees of Directors Manhattan College, Riverdale, New York. Formerly head of closed-end fund listings for the New York Stock Exchange.	21	2004 to present

* The address for each director is 280 Park Avenue, New York, NY 10017.

** The length of time served represents the year in which the director was first elected or appointed to any fund in the Cohen & Steers fund complex.

¹ "Interested person", as defined in the 1940 Act, of the Fund because of affiliation with CSCM.

COHEN & STEERS SELECT UTILITY FUND, INC.

The officers of the Fund (other than Messrs. Cohen and Steers, whose biographies are provided above), their address, their ages and their principal occupations for at least the past five years are set forth below.

Name, Address and Age*	Position(s) Held With Fund	Principal Occupation During Past 5 Years	Length of Time Served**
Adam M. Derechin Age: 44	President and Chief Executive Officer	Chief Operating Officer of CSCM (since 2003) and CNS (since 2004). Prior to that, Senior Vice President of CSCM and Vice President and Assistant Treasurer of the Cohen & Steers funds.	Since 2005
Joseph M. Harvey Age: 45	Vice President	President and Chief Investment Officer of CSCM (since 2003) and President of CNS (since 2004). Prior to that, Senior Vice President and Director of Investment Research of CSCM.	Since 2004
Robert S. Becker Age: 39	Vice President	Senior Vice President of CSCM since 2003. Prior to that, portfolio manager at Franklin Templeton Investments.	Since 2003
William F. Scapell Age: 41	Vice President	Senior Vice President of CSCM since 2003. Prior to that, chief strategist for preferred securities at Merrill Lynch & Co., Inc.	Since 2003
Yigal D. Jhirad Age: 44	Vice President	Senior Vice President of CSCM since 2007. Prior to that, executive director at Morgan Stanley and head of prime brokerage equity product marketing responsible for developing and marketing quantitative and derivatives product to hedge funds.	Since 2007
Francis C. Poli Age: 46	Secretary	Executive Vice President, Secretary and General Counsel of CSCM and CNS since March 2007. Prior thereto, General Counsel of Allianz Global Investors of America LP.	Since 2007
James Giallanza Age: 42	Treasurer and Chief Financial Officer	Senior Vice President of CSCM since September 2006. Prior thereto, Deputy Head of the US Funds Administration and Treasurer & CFO of various mutual funds within the Legg Mason (formally Citigroup Asset Management) fund complex from August 2004 to September 2006; Director/Controller of the US wholesale business at UBS Global Asset Management (U.S.) from September 2001 to July 2004.	Since 2006
Lisa D. Phelan Age: 40	Chief Compliance Officer	Senior Vice President & Director of Compliance of CSCM since January 2006. Chief Compliance Officer of CSSL since 2004. Prior to that, Compliance Officer of CSCM since 2004. Chief Compliance Officer, Avatar Associates & Overture Asset Managers, 2003-2004. First VP, Risk Management, Prudential Securities, Inc. 2000-2003.	Since 2006

* The address of each officer is 280 Park Avenue, New York, NY 10017.

** Officers serve one-year terms. The length of time served represents the year in which the officer was first elected to that position in any fund in the Cohen & Steers fund complex. All of the officers listed above are officers of one or more of the other funds in the complex.

COHEN & STEERS SELECT UTILITY FUND, INC.

Meet the Cohen & Steers family of open-end funds:

**COHEN & STEERS
REALTY SHARES**

Designed for investors seeking total return, investing primarily in REITs

Symbol: CSRSX

**COHEN & STEERS
REALTY INCOME FUND**

Designed for investors seeking maximum total return, investing primarily in real estate securities with an emphasis on both income and capital appreciation

Symbols: CSEIX, CSBIX, CSCIX, CSDIX

**COHEN & STEERS
INTERNATIONAL REALTY FUND**

Designed for investors seeking total return, investing primarily in international real estate securities

Symbols: IRFAX, IRFCX, IRFIX

**COHEN & STEERS
DIVIDEND VALUE FUND**

Designed for investors seeking high current income and long-term growth of income and capital appreciation, investing primarily in dividend paying common stocks and preferred stocks

Symbols: DVFAX, DVFCX, DVFIX

**COHEN & STEERS
INSTITUTIONAL GLOBAL REALTY SHARES**

Designed for institutional investors seeking total return, investing primarily in global real estate securities

Symbol: GRSIX

**COHEN & STEERS
INSTITUTIONAL REALTY SHARES**

Designed for institutional investors seeking total return, investing primarily in REITs

Symbol: CSRIX

**COHEN & STEERS
GLOBAL REALTY SHARES**

Designed for investors seeking total return, investing primarily in global real estate equity securities

Symbols: CSFAX, CSFBX, CSFCX, CSSPX

**COHEN & STEERS
GLOBAL INFRASTRUCTURE FUND**

Designed for investors seeking total return, investing primarily in global infrastructure securities

Symbols: CSUAX, CSUBX, CSUCX, CSUIX

**COHEN & STEERS
ASIA PACIFIC REALTY SHARES**

Designed for investors seeking total return, investing primarily in real estate securities located in the Asia Pacific region

Symbols: APFAX, APFCX, APFIX

**COHEN & STEERS
EUROPEAN REALTY SHARES**

Designed for investors seeking total return, investing primarily in real estate securities located in Europe

Symbols: EURAX, EURCX, EURIX

Please consider the investment objectives, risks, charges and expenses of the fund carefully before investing. A prospectus containing this and other information can be obtained by calling 800-330-7348 or by visiting cohenandsteers.com. Please read the prospectus carefully before investing.

Cohen & Steers Securities, LLC, Distributor

COHEN & STEERS SELECT UTILITY FUND, INC.

OFFICERS AND DIRECTORS

Robert H. Steers
Director and co-chairman

Martin Cohen
Director and co-chairman

Bonnie Cohen
Director

George Grossman
Director

Richard E. Kroon
Director

Richard J. Norman
Director

Frank K. Ross
Director

Willard H. Smith Jr.
Director

C. Edward Ward, Jr.
Director

Adam M. Derechin
President and chief executive officer

Joseph M. Harvey
Vice president

Robert S. Becker
Vice president

William F. Scapell
Vice president

Yigal D. Jhirad
Vice president

Francis C. Poli
Secretary

James Giallanza
Treasurer and chief financial officer

Lisa D. Phelan
Chief compliance officer

KEY INFORMATION

Investment Manager

Cohen & Steers Capital Management, Inc.
280 Park Avenue
New York, NY 10017
(212) 832-3232

Fund Subadministrator and Custodian

State Street Bank and Trust Company
One Lincoln Street
Boston, MA 02111

Transfer Agent Common Shares

The Bank of New York Mellon
480 Washington Boulevard
Jersey City, NJ 07310
(866) 227-0757

Transfer Agent Preferred Shares

The Bank of New York Mellon
101 Barclay Street
New York, NY 10286

Legal Counsel

Stroock & Stroock & Lavan LLP
180 Maiden Lane
New York, NY 10038

New York Stock Exchange Symbol: UTF

Web site: cohenandsteers.com

This report is for shareholder information. This is not a prospectus intended for use in the purchase or sale of Fund shares. Past performance is of course no guarantee of future results and your investment may be worth more or less at the time you sell.

COHEN & STEERS

SELECT UTILITY FUND

280 PARK AVENUE

NEW YORK, NY 10017

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ANNUAL REPORT

DECEMBER 31, 2008

UTFAR

Item 2. Code of Ethics.

The registrant has adopted a Code of Ethics that applies to its Principal Executive Officer and Principal Financial Officer. The registrant undertakes to provide to any person without charge, upon request, a copy of the Code of Ethics. Such request can be made by calling 800-330-7348 or writing to the Secretary of the registrant, 280 Park Avenue, New York, NY 10017.

Item 3. Audit Committee Financial Expert.

The registrant's board has determined that Frank K. Ross, a member of the board's Audit Committee, is an audit committee financial expert. Mr. Ross is independent, as such term is defined in this Item.

Item 4. Principal Accountant Fees and Services.

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- (a) (d) Aggregate fees billed to the registrant for the last two fiscal years for professional services rendered by the registrant's principal accountant were as follows:

	2008	2007
Audit Fees	\$ 50,200	\$ 58,100
Audit-Related Fees	33,500	110,500
Tax Fees	15,800	14,500
All Other Fees		

Audit-related fees were billed in connection with the preparation and issuance of certification reports to rating agencies relating to the registrant's preferred shares. Tax fees were billed in connection with the preparation of tax returns, calculation and designation of dividends and other miscellaneous tax services.

Aggregate fees billed by the registrant's principal accountant for the last two fiscal years for non-audit services provided to the registrant's investment adviser (not including a sub-adviser whose role is primarily portfolio management and is subcontracted or overseen by another investment adviser) and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the registered investment company, where the engagement relates directly to the operations and financial reporting of the registrant, were as follows:

	2008	2007
Audit-Related Fees		
Tax Fees		
All Other Fees	\$ 110,000	\$ 85,000

These other fees were billed in connection with internal control reviews.

- (e)(1) The registrant's audit committee is required to pre-approve audit and non-audit services performed for the registrant by the principal accountant. The audit committee also is required to

pre-approve non-audit services performed by the registrant's principal accountant for the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and/or to any entity controlling, controlled by or under common control with the registrant's investment adviser that provides ongoing services to the registrant, if the engagement for services relates directly to the operations and financial reporting of the registrant.

The audit committee may delegate pre-approval authority to one or more of its members who are independent members of the board of directors of the registrant. The member or members to whom such authority is delegated shall report any pre-approval decisions to the audit committee at its next scheduled meeting. The audit committee may not delegate its responsibility to pre-approve services to be performed by the registrant's principal accountant to the investment adviser.

(e) (2) No services included in (b) (d) above were approved by the audit committee pursuant to paragraphs (c)(7)(i)(C) of Rule 2-01 of Regulation S-X.

(f) Not applicable.

(g) For the fiscal years ended December 31, 2008 and December 31, 2007, the aggregate fees billed by the registrant's principal accountant for non-audit services rendered to the registrant and for non-audit services rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and/or to any entity controlling, controlled by or under common control with the registrant's investment adviser that provides ongoing services to the registrant were \$130,885 and \$210,000, respectively.

(h) The registrant's audit committee considered whether the provision of non-audit services that were rendered to the registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser) and/or to any entity controlling, controlled by or under common control with the registrant's investment adviser that provides ongoing services to the registrant that were not required to be pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X was compatible with maintaining the principal accountant's independence.

Item 5. Audit Committee of Listed Registrants.

The registrant has a separately-designated standing audit committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934. The members of the committee are Frank K. Ross (chairman), Bonnie Cohen, George Grossman and Richard E. Kroon.

Item 6. Schedule of Investments.

Included in Item 1 above.

Item 7. Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.

The registrant has delegated voting of proxies in respect of portfolio holdings to Cohen & Steers Capital Management, Inc., in accordance with the policies and procedures set forth below.

COHEN & STEERS CAPITAL MANAGEMENT, INC.

STATEMENT OF POLICIES AND PROCEDURES REGARDING THE VOTING OF SECURITIES

This statement sets forth the policies and procedures that Cohen & Steers Capital Management, Inc. (C&S) follows in exercising voting rights with respect to securities held in our client portfolios. All proxy-voting rights that are exercised by C&S shall be subject to this Statement of Policy and Procedures.

I. Objectives

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Voting rights are an important component of corporate governance. The Advisor and the Subadvisor have three overall objectives in exercising voting rights:

A. Responsibility. The Advisor and Subadvisor shall seek to ensure that there is an effective means in place to hold companies accountable for their actions. While management must be accountable to its board, the board must be accountable to a company's shareholders. Although accountability can be promoted in a variety of ways, protecting shareholder voting rights may be among our most important tools.

B. Rationalizing Management and Shareholder Concerns. The Advisor and Subadvisor seek to ensure that the interests of a company's management and board are aligned with those of the company's shareholders. In this respect, compensation must be structured to reward the creation of shareholder value.

C. Shareholder Communication. Since companies are owned by their shareholders, the Advisor and Subadvisor seek to ensure that management effectively communicates with its owners about the company's business operations and financial performance. It is only with effective communication that shareholders will be able to assess the performance of management and to make informed decisions on when to buy, sell or hold a company's securities.

In exercising voting rights, the Advisor and Subadvisor follow the general principles set forth below.

- The ability to exercise a voting right with respect to a security is a valuable right and, therefore, must be viewed as part of the asset itself.
- In exercising voting rights, the Advisor and Subadvisor shall engage in a careful evaluation of issues that may materially affect the rights of shareholders and the value of the security.
- Consistent with general fiduciary principles, the exercise of voting rights shall always be conducted with reasonable care, prudence and diligence.
- In exercising voting rights on behalf of clients, the Advisor and Subadvisor shall conduct itself in the same manner as if the Advisor and Subadvisor were the constructive owner of the securities.
- To the extent reasonably possible, the Advisor and Subadvisor shall participate in each shareholder voting opportunity.
- Voting rights shall not automatically be exercised in favor of management-supported proposals.
- The Advisor and Subadvisor, and its officers and employees, shall never accept any item of value in consideration of a favorable proxy voting decision.

Set forth below are general guidelines followed in exercising proxy voting rights:

Prudence. In making a proxy voting decision, the Advisor and Subadvisor shall give appropriate consideration to all relevant facts and circumstances, including the value of the securities to be voted and the likely effect any vote may have on that value. Since voting rights must be exercised on the basis of an informed judgment, investigation shall be a critical initial step.

Third Party Views. While the Advisor and Subadvisor may consider the views of third parties, the Advisor and Subadvisor shall never base a proxy voting decision solely on the opinion of a third party.

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Rather, decisions shall be based on a reasonable and good faith determination as to how best to maximize shareholder value.

Shareholder Value. Just as the decision whether to purchase or sell a security is a matter of judgment, determining whether a specific proxy resolution will increase the market value of a security is a matter of judgment as to which informed parties may differ. In determining how a proxy vote may affect the economic value of a security, the Advisor and Subadvisor shall consider both short-term and long-term views about a company's business and prospects, especially in light of our projected holding period on the stock (e.g., the Advisor and Subadvisor may discount long-term views on a short-term holding).

Set forth below are guidelines as to how specific proxy voting issues shall be analyzed and assessed.

While these guidelines will provide a framework for the Advisor and Subadvisor decision making process, the mechanical application of these guidelines can never address all proxy voting decisions.

When new issues arise or old issues present nuances not encountered before, the Advisor and Subadvisor must be guided by their reasonable judgment to vote in a manner that the Advisor and Subadvisor deem to be in the best interests of the Fund and its shareholders. In addition, because the regulatory framework and the business cultures and practices vary from region to region, the below general guidelines may be inconsistent in certain circumstances for proxies of issuers of securities in the Asia Pacific region.

Uncontested Director Elections

Votes on director nominees should be made on a case-by-case basis using a mosaic approach, where all factors are considered in director elections and where no single issue is deemed to be determinative.

For example, a nominee's experience and business judgment may be critical to the long-term success of the portfolio company, notwithstanding the fact that he or she may serve on the board of more than four public companies. In evaluating nominees, the Advisor and Subadvisor consider the following factors:

- Whether the nominee attended less than 75 percent of the board and committee meetings without a valid excuse for the absences;
- Whether the nominee is an inside or affiliated outside director and sits on the audit, compensation, or nominating committees;
- Whether the nominee ignored a significant shareholder proposal that was approved by a (i) majority of the shares outstanding or (ii) majority of the votes cast for two consecutive years;
- Whether the nominee, without shareholder approval, to our knowledge instituted a new poison pill plan, extended an existing plan, or adopted a new plan upon the expiration of an existing plan during the past year;
- Whether the nominee is an inside or affiliated outside director and the full board serves as the audit, compensation, or nominating committee or the company does not have one of these committees;
- Whether the nominee is an insider or affiliated outsider on boards that are not at least majority independent;
- Whether the nominee is the CEO of a publicly-traded company who serves on more than two public boards;
 - Whether the nominee serves on more than four public company boards;

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- Whether the nominee serves on the audit committee where there is evidence (such as audit reports or reports mandated under the Sarbanes Oxley Act) that there exists material weaknesses in the company's internal controls;
- Whether the nominee serves on the compensation committee if that director was present at the time of the grant of backdated options or options the pricing or the timing of which Advisor and Subadvisor believe may have been manipulated to provide additional benefits to executives;
- Whether the nominee is believed by us to have a material conflict of interest with the portfolio company; and
- Whether the nominee (or the overall board) in our view has a record of making poor corporate or strategic decisions or has demonstrated an overall lack of good business judgment.

The Advisor and Subadvisor vote on a case-by-case basis for shareholder proposals requesting companies to amend their bylaws in order to create access to the proxy so as to nominate candidates for directors.

The Advisor and Subadvisor recognize the importance of shareholder access to the ballot process as a means to ensure that boards do not become self-perpetuating and self-serving. However, the Advisor and Subadvisor are also aware that some proposals may promote certain interest groups and could be disruptive to the nomination process. Special attention will be paid to companies that display a chronic lack of shareholder accountability.

Proxy Contests

Director Nominees in a Contested Election. By definition, this type of board candidate or slate runs for the purpose of seeking a significant change in corporate policy or control. Therefore, the economic impact of the vote in favor of or in opposition to that director or slate must be analyzed using a higher standard such as is normally applied to changes in control. Criteria for evaluating director nominees as a group or individually should also include: the underlying reason why the new slate (or individual director) is being proposed; performance; compensation; corporate governance provisions and takeover activity; criminal activity; attendance at meetings; investment in the company; interlocking directorships; inside, outside and independent directors; number of other board seats; and other experience. It is impossible to have a general policy regarding director nominees in a contested election.

Reimbursement of Proxy Solicitation Expenses. Decisions to provide full reimbursement for dissidents waging a proxy contest should be made on a case-by-case basis.

Ratification of Auditors

The Advisor and Subadvisor vote for proposals to ratify auditors, unless an auditor has a financial interest in or association with the company, and are therefore not independent; or there is reason to believe that the independent auditor has rendered an opinion that is neither accurate nor indicative of the company's financial position. Generally, the Advisor and Subadvisor vote against auditor ratification and withhold votes from audit committee members if non-audit fees exceed audit fees. The Advisor and Subadvisor vote on a case-by-case basis on auditor rotation proposals. Criteria for evaluating the rotation proposal include, but are not limited to: tenure of the audit firm; establishment and disclosure of a renewal process whereby the auditor is regularly evaluated for both audit quality and competitive price; length of the rotation period advocated in the proposal; and any significant audit related issues. Generally, the Advisor and Subadvisor vote against auditor indemnification and limitation of liability; however the Advisor and Subadvisor recognize there may be situations where indemnification and limitations on liability may be appropriate.

Takeover Defenses

While the Advisor and Subadvisor recognize that a takeover attempt can be a significant distraction for the board and management to deal with, the simple fact is that the possibility of a corporate takeover keeps management focused on maximizing shareholder value. As a result, the Advisor and Subadvisor oppose measures that are designed to prevent or obstruct corporate takeovers because they can entrench current management. The following are our guidelines on change of control issues:

Shareholder Rights Plans. The Advisor and Subadvisor acknowledge that there are arguments for and against shareholder rights plans, also known as poison pills. Companies should put their case for rights plans to shareholders. The Advisor and Subadvisor review on a case-by-case basis management proposals to ratify a poison pill. The Advisor and Subadvisor generally look for shareholder friendly features including a two- to three-year sunset provision, a permitted bid provision and a 20 percent or higher flip-in provision.

Greenmail. The Advisor and Subadvisor vote for proposals to adopt anti-greenmail charter or bylaw amendments or otherwise restrict a company's ability to make greenmail payments.

Unequal Voting Rights. Generally, The Advisor and Subadvisor vote against dual-class recapitalizations as they offer an effective way for a firm to thwart hostile takeovers by concentrating voting power in the hands of management or other insiders.

Classified Boards. The Advisor and Subadvisor generally vote in favor of shareholder proposals to declassify a board of directors, although the Advisor and Subadvisor acknowledge that a classified board may be in the long-term best interests of a company in certain situations. In voting on shareholder proposals to declassify a board of directors, the Advisor and Subadvisor evaluate all facts and circumstances surrounding such proposal, including whether the shareholder proposing the de-classification has an agenda in making such proposal that may be at odds with the long-term best interests of the company or whether it would be in the best interests of the company to thwart a shareholder's attempt to control the board of directors.

Cumulative Voting. Having the ability to cumulate our votes for the election of directors—that is, cast more than one vote for a director about whom they feel strongly—generally increases shareholders' rights to effect change in the management of a corporation. The Advisor and Subadvisor generally support, therefore, proposals to adopt cumulative voting.

Shareholder Ability to Call Special Meeting. the Advisor and Subadvisor votes on a case-by-case basis for shareholder proposals requesting companies to amend their governance documents (bylaws and/or charter) in order to allow shareholders to call special meetings. The Advisor and Subadvisor recognize the importance on shareholder ability to call a special meeting, however, the Advisor and Subadvisor are also aware that some proposals are put forth in order to promote the agenda(s) of certain special interest groups and could be disruptive to the management of the company.

Shareholder Ability to Act by Written Consent. The Advisor and Subadvisor generally vote against proposals to allow or facilitate shareholder action by written consent. The requirement that all shareholders be given notice of a shareholders' meeting and matters to be discussed therein seems to provide a reasonable protection of minority shareholder rights.

Shareholder Ability to Alter the Size of the Board. The Advisor and Subadvisor generally vote for proposals that seek to fix the size of the board and vote against proposals that give management the ability to alter the size of the board without shareholder approval. While the Advisor and Subadvisor recognize the importance of such proposals, the Advisor and Subadvisor are however also aware that these proposals are sometimes put forth in order to promote the agenda(s) of certain special interest groups and could be disruptive to the management of the company.

Miscellaneous Board Provisions

Board Committees. Boards should delegate key oversight functions, such as responsibility for audit, nominating and compensation issues, to independent committees. The chairman and members of any committee should be clearly identified in the annual report. Any committee should have the authority to engage independent advisors where appropriate at the company's expense.

Audit, nominating and compensation committees should consist solely of non-employee directors, who are independent of management.

Separate Chairman and CEO Positions. The Advisor and Subadvisor will generally vote for proposals looking to separate the CEO and Chairman roles. The Advisor and Subadvisor do acknowledge, however, that under certain circumstances, it may be reasonable for the CEO and Chairman roles to be held by a single person.

Lead Directors and Executive Sessions. In cases where the CEO and Chairman roles are combined, Advisor and Subadvisor will vote for the appointment of a lead (non-insider) director and for regular executive sessions (board meetings taking place without the CEO/Chairman present).

Majority of Independent Directors. The Advisor and Subadvisor vote for proposals that call for the board to be composed of a majority of independent directors. The Advisor and Subadvisor believe that a majority of independent directors can be an important factor in facilitating objective decision making and enhancing accountability to shareholders.

Independent Committees. The Advisor and Subadvisor vote for shareholder proposals requesting that the board's audit, compensation, and nominating committees consist exclusively of independent directors.

Stock Ownership Requirements. The Advisor and Subadvisor support measures requiring senior executives to hold a minimum amount of stock in a company (often expressed as a percentage of annual compensation), requiring stock acquired through option exercise to be held for a certain minimum amount of time and issuing restricted stock awards instead of options.

Term of Office. The Advisor and Subadvisor vote against shareholder proposals to limit the tenure of outside directors. Term limits pose artificial and arbitrary impositions on the board and could harm shareholder interests by forcing experienced and knowledgeable directors off the board.

Director and Officer Indemnification and Liability Protection. Proposals concerning director and officer indemnification and liability protection should be evaluated on a case-by-case basis.

Board Size. The Advisor and Subadvisor generally vote for proposals to limit the size of the board to 15 members or less.

Majority Vote Standard. The Advisor and Subadvisor generally vote for proposals asking for the board to initiate the appropriate process to amend the company's governance documents (charter or bylaws) to provide that director nominees shall be elected by the affirmative vote of the majority of votes cast at an annual meeting of shareholders.

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The Advisor and Subadvisor would generally review on a case-by-case basis proposals that address alternative approaches to a majority vote requirement.

Confidential Voting. The Advisor and Subadvisor vote for shareholder proposals requesting that companies adopt confidential voting, use independent tabulators, and use independent inspectors of election as long as the proposals include clauses for proxy contests as follows: in the case of a contested election, management should be permitted to request that the dissident group honor its confidential voting policy. If the dissidents agree, the policy remains in place. If the dissidents do not agree, the confidential voting policy is waived.

The Advisor and Subadvisor also vote for management proposals to adopt confidential voting.

Bundled Proposals. The Advisor and Subadvisor review on a case-by-case basis bundled or conditioned proxy proposals. In the case of items that are conditioned upon each other, the Advisor and Subadvisor examine the benefits and costs of the packaged items. In instances where the joint effect of the

conditioned items is not in shareholders' best interests, the Advisor and Subadvisor vote against the proposals. If the combined effect is positive, the Advisor and Subadvisor support such proposals.

Date/Location of Meeting. The Advisor and Subadvisor vote against shareholder proposals to change the date or location of the shareholders' meeting. No one site will meet the needs of all shareholders.

Adjourn Meeting if Votes are Insufficient. Open-end requests for adjournment of a shareholder meeting generally will not be supported. However, where management specifically states the reason for requesting an adjournment and the requested adjournment is necessary to permit a proposal that would otherwise be supported under this policy to be carried out; the adjournment request will be supported.

Disclosure of Shareholder Proponents. The Advisor and Subadvisor vote for shareholder proposals requesting that companies disclose the names of shareholder proponents. Shareholders may wish to contact the proponents of a shareholder proposal for additional information.

Capital Structure

Increase Additional Common Stock. The Advisor and Subadvisor generally vote for increases in authorized shares, provided that the increase is not greater than three times the number of shares outstanding and reserved for issuance (including shares reserved for stock-related plans and securities convertible into common stock, but not shares reserved for any poison pill plan). Votes generally are cast in favor of proposals to authorize additional shares of stock except where the proposal:

- creates a blank check preferred stock; or
- establishes classes of stock with superior voting rights.

Blank Check Preferred Stock. Votes generally are cast in opposition to management proposals authorizing the creation of new classes of preferred stock with unspecified voting, conversion, distribution and other rights, and management proposals to increase the number of authorized blank check preferred shares. The Advisor and Subadvisor may vote in favor of this type of proposal when it receives assurances to its reasonable satisfaction that (i) the preferred stock was authorized by the board for the use of legitimate capital formation purposes and not for anti-takeover purposes, and (ii) no preferred stock will be issued with voting power that is disproportionate to the economic interests of the preferred stock. These representations should be made either in the proxy statement or in a separate letter from the

company to the Advisor and Subadvisor.

Preemptive Rights. Votes regarding shareholder proposals seeking preemptive rights are determined on a case-by-case basis after evaluating:

- The size of the company;
- The shareholder base; and
- The liquidity of the stock.

For example, it would be difficult to support a shareholder proposal that would require an S&P 500 company with over \$1 billion in equity held by thousands of shareholders (with no single shareholder owning a significant percentage of outstanding shares) to implement preemptive rights each time it conducted a new offering. Such a requirement would be impractical and extremely costly. Moreover, at companies with that large of a shareholder base and the ease with which shareholders could preserve their

relative interest through purchases of shares on the on the open market, the cost of implementing preemptive rights does not seem justifiable in relation to the benefits.

Dual Class Capitalizations. Because classes of common stock with unequal voting rights limit the rights of certain shareholders, the Advisor and Subadvisor vote against adoption of a dual or multiple class capitalization structure.

Restructurings/Recapitalizations. The Advisor and Subadvisor review proposals to increase common and/or preferred shares and to issue shares as part of a debt restructuring plan on a case- by-case basis.

In voting, the Advisor and Subadvisor consider the following issues:

- dilution how much will ownership interest of existing shareholders be reduced, and how extreme will dilution to any future earnings be?
 - change in control will the transaction result in a change in control of the company?
- bankruptcy generally, approve proposals that facilitate debt restructurings unless there are clear signs of self-dealing or other abuses.

Share Repurchase Programs. Boards may institute share repurchase or stock buy-back programs for a number of reasons. The Advisor and Subadvisor will generally vote in favor of such programs where the repurchase would be in the long-term best interests of shareholders, and where the company is not thought to be able to use the cash in a more useful way.

The Advisor and Subadvisor will vote against such programs when shareholders interests could be better served by deployment of the cash for alternative uses, or where the repurchase is a defensive maneuver or an attempt to entrench management.

Targeted Share Placements. These shareholder proposals ask companies to seek stockholder approval before placing 10% or more of their voting stock with a single investor. The proposals are typically in reaction to the placement by various companies of a large block of their voting stock in an ESOP, parent capital fund or with a single friendly investor, with the aim of protecting themselves against a hostile tender offer. These proposals are voted on a case-by-case basis after reviewing the individual situation of the company receiving the proposal.

Executive and Director Compensation

Stock-based Incentive Plans. Votes with respect to compensation plans should be determined on a case-by-case basis. The analysis of compensation plans focuses primarily on the transfer of shareholder wealth (the dollar cost of pay plans to shareholders). Other matters included in our analysis are the amount of the company's outstanding stock to be reserved for the award of stock options or restricted stock, whether the exercise price of an option is less than the stock's fair market value at the date of the grant of the options, and whether the plan provides for the exchange of outstanding options for new ones at lower exercise prices. Every award type is valued. An estimated dollar cost for the proposed plan and all continuing plans is derived. This cost, dilution to shareholders' equity, will also be expressed as a percentage figure for the transfer of shareholder wealth and will be considered along with dilution to voting power. Once the cost of the plan is estimated, it is compared to an allowable industry-specific and market cap-based dilution cap.

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If the proposed plan cost is above the allowable cap, an against vote is indicated. If the proposed cost is below the allowable cap, a vote for the plan is indicated unless the plan violates the repricing guidelines. If the company has a history of repricing options or has the express ability to reprice underwater stock options without first securing shareholder approval under the proposed plan, the plan receives an against vote even in cases where the plan cost is considered acceptable based on the quantitative analysis.

The Advisor and Subadvisor vote against equity plans that have high average three year burn rates, unless the company has publicly committed to reduce the burn rate to a rate that is comparable to its peer group (as determined by the Advisor and Subadvisor).

Approval of Cash or Cash-and-Stock Bonus Plans. The Advisor and Subadvisor vote for cash or cash-and-stock bonus plans to exempt the compensation from limits on deductibility under the provisions of Section 162(m) of the Internal Revenue Code of 1986, as amended (the Code).

Executive Compensation. Executive compensation should be tied to the performance of the executive and the company as well as relevant market conditions. The Advisor and Subadvisor feel that the performance criteria and specific amounts and types of executive compensation are best decided by a company's board of directors and/or its compensation committee and fully disclosed to shareholders.

The Advisor and Subadvisor will, however, vote for shareholder proposals that call for shareholders to vote, in a non-binding manner, on executive pay since such vote is non-binding and is merely informative for the board of directors and/or compensation committee. Further, the Advisor and Subadvisor generally vote for shareholder proposals that seek additional disclosure of executive and director pay information.

Reload/Evergreen Features. The Advisor and Subadvisor will generally vote against plans that enable the issuance of reload options and that provide an automatic share replenishment (evergreen) feature.

Golden Parachutes. The Advisor and Subadvisor oppose the use of accelerated employment contracts that result in cash grants of greater than three times annual compensation (salary and bonus) in the event of termination of employment following a change in control of a company. In general, the guidelines call for voting against golden parachute plans because they impede potential takeovers that shareholders should be free to consider. The Advisor and Subadvisor generally withhold our votes at the next shareholder meeting for directors who to our knowledge approved golden parachutes.

401(k) Employee Benefit Plans. The Advisor and Subadvisor vote for proposals to implement a 401(k) savings plan for employees.

Employee Stock Purchase Plans. The Advisor and Subadvisor support employee stock purchase plans, although the Advisor and Subadvisor generally believe the discounted purchase price should be at least 85% of the current market price.

Option Expensing. The Advisor and Subadvisor vote for shareholder proposals to expense fixed-price options.

Vesting. The Advisor and Subadvisor believe that restricted stock awards normally should vest over at least a two-year period.

Option Repricing. Stock options generally should not be re-priced, and never should be re-priced without shareholder approval. In addition, companies should not issue new options, with a lower strike price, to make up for previously issued options that are substantially underwater. The Advisor and Subadvisor will

vote against the election of any slate of directors that, to its knowledge, has authorized a company to re-price or replace underwater options during the most recent year without shareholder approval.

Stock Holding Periods. Generally vote against all proposals requiring executives to hold the stock received upon option exercise for a specific period of time.

Transferable Stock Options. Review on a case-by-case basis proposals to grant transferable stock options or otherwise permit the transfer of outstanding stock options, including cost of proposal and alignment with shareholder interests.

Recoup Bonuses. The Advisor and Subadvisor vote on a case-by-case on shareholder proposals to recoup unearned incentive bonuses or other incentive payments made to senior executives if it is later determined that fraud, misconduct, or negligence significantly contributed to a restatement of financial results that led to the awarding of unearned incentive compensation.

Incorporation

Reincorporation Outside of the United States. Generally, the Advisor and Subadvisor will vote against companies looking to reincorporate outside of the U.S.

Voting on State Takeover Statutes. The Advisor and Subadvisor review on a case-by-case basis proposals to opt in or out of state takeover statutes (including control share acquisition statutes, control share cash-out statutes, freeze out provisions, fair price provisions, stakeholder laws, poison pill endorsements, severance pay and labor contract provisions, anti greenmail provisions, and disgorgement provisions). In voting on these shareholder proposals, the Advisor and Subadvisor evaluate all facts and circumstances surrounding such proposal, including whether the shareholder proposing such measure has an agenda in making such proposal that may be at odds with the longterm best interests of the company or whether it would be in the best interests of the company to thwart a shareholder's attempt to control the board of directors.

Voting on Reincorporation Proposals. Proposals to change a company's state of incorporation are examined on a case-by-case basis. In making our decision, the Advisor and Subadvisor review management's rationale for the proposal, changes to the charter/bylaws, and differences in the state laws governing the companies.

Mergers and Corporate Restructurings

Mergers and Acquisitions. Votes on mergers and acquisitions should be considered on a case-by-case basis, taking into account factors including the following: anticipated financial and operating benefits; offer price (cost vs. premium); prospects of the combined companies; how the deal was negotiated; and changes in corporate governance and their impact on shareholder rights.

The Advisor and Subadvisor vote against proposals that require a super-majority of shareholders to approve a merger or other significant business combination. The Advisor and Subadvisor support proposals that seek to lower super-majority voting requirements.

Nonfinancial Effects of a Merger or Acquisition. Some companies have proposed a charter provision which specifies that the board of directors may examine the nonfinancial effect of a merger or acquisition on the company. This provision would allow the board to evaluate the impact a proposed change in control would have on employees, host communities, suppliers and/or others. The Advisor and Subadvisor generally vote against proposals to adopt such charter provisions. The Advisor and

Subadvisor feel it is the directors' fiduciary duty to base decisions solely on the financial interests of the shareholders.

Corporate Restructuring. Votes on corporate restructuring proposals, including minority squeeze outs, leveraged buyouts, going private proposals, spin-offs, liquidations, and asset sales, should be considered on a case-by-case basis.

Spin-offs. Votes on spin-offs should be considered on a case-by-case basis depending on the tax and regulatory advantages, planned use of sale proceeds, market focus, and managerial incentives.

Asset Sales. Votes on asset sales should be made on a case-by-case basis after considering the impact on the balance sheet/working capital, value received for the asset, and potential elimination of diseconomies.

Liquidations. Votes on liquidations should be made on a case-by-case basis after reviewing management's efforts to pursue other alternatives, appraisal value of assets, and the compensation plan for executives managing the liquidation.

Appraisal Rights. The Advisor and Subadvisor vote for proposals to restore, or provide shareholders with, rights of appraisal. Rights of appraisal provide shareholders who are not satisfied with the terms of certain corporate transactions the right to demand a judicial review in order to determine a fair value for their shares.

Changing Corporate Name. The Advisor and Subadvisor vote for changing the corporate name.

Social Issues.

The Advisor and Subadvisor believe that it is the responsibility of the board and management to run a company on a daily basis. With this in mind, in the absence of unusual circumstances, the Advisor and Subadvisor do not believe that shareholders should be involved in determining how a company should address broad social and policy issues. As a result, the Advisor and Subadvisor generally vote against these types of proposals, which are generally initiated by shareholders, unless the Advisor and Subadvisor believe the proposal has significant economic implications.

Item 8. Portfolio Managers of Closed-End Investment Companies.

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Information pertaining to the portfolio managers of the registrant, as of February 28, 2009, is set forth below.

William F. Scapell

Senior vice president of C&S. Previously, chief strategist for preferred securities at Merrill Lynch & Co.

- Vice President

- Portfolio manager since inception

Robert Becker

Senior vice president of C&S. Previously, co-portfolio manager for the Franklin Utilities Fund at Franklin Templeton Investments.

- Vice President

 - Portfolio manager since inception
-

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Each portfolio manager listed above manages other investment companies and/or investment vehicles and accounts in addition to the registrant. The following tables show, as of December 31, 2008, the number of accounts each portfolio manager managed in each of the listed categories and the total assets in the accounts managed within each category. The portfolio managers do not receive performance-based fees with respect to any of the registered investment companies, other pooled investment vehicles or other accounts that they manage.

William F. Scapell

	Number of accounts	Total assets
• Registered investment companies	10	\$ 4,229,569,000
• Other pooled investment vehicles	2	\$ 35,810,000
• Other accounts	12	\$ 361,679,000

Robert Becker

	Number of accounts	Total assets
• Registered investment companies	3	\$ 1,912,725,000
• Other pooled investment vehicles	0	\$ 0
• Other accounts	0	\$ 0

Share Ownership. The following table indicates the dollar range of securities of the registrant owned by the registrant's portfolio managers as of December 31, 2008:

	Dollar Range of Securities Owned
William F. Scapell	None
Robert Becker	None

Conflicts of Interest. It is possible that conflicts of interest may arise in connection with the portfolio managers management of the registrant's investments on the one hand and the investments of other accounts or vehicles for which the portfolio managers are responsible on the other. For example, a portfolio manager may have conflicts of interest in allocating management time, resources and investment opportunities among the registrant and the other accounts or

vehicles he advises. In addition, due to differences in the investment strategies or restrictions among the registrant and the other accounts, a portfolio manager may take action with respect to another account that differs from the action taken with respect to the registrant.

In some cases, another account managed by a portfolio manager may provide more revenue to C&S. While this may appear to create additional conflicts of interest for the portfolio manager in the allocation of management time, resources and investment opportunities, C&S strives to ensure that portfolio managers endeavor to exercise their discretion in a manner that is equitable to all interested persons. In this regard, in the absence of specific account-related impediments (such as client-imposed restrictions or lack of available cash), it is the policy of C&S to allocate investment ideas pro rata to all accounts with the same primary investment objective.

In addition, certain of the portfolio managers may from time to time manage one or more accounts on behalf of C&S and its affiliated companies (the CNS Accounts). Certain securities held in the CNS Accounts also may be held in the account of the registrant or other client accounts of C&S. C&S has adopted procedures that are designed to ensure that the interests of the CNS Accounts are never placed ahead of the interests of the registrant or any other client account. In this regard, C&S will not purchase or sell a security for the CNS Accounts until C&S has completed its purchase or sale program for the registrant and any other client accounts. While it is possible that a security will be sold out of the CNS Accounts but continue to be held for the registrant or one or more other client accounts, this will occur only if C&S, acting in its reasonable judgment and consistent with its fiduciary duties, believes this to be appropriate for, and consistent with the objectives and profile of, the registrant or other client accounts.

Advisor Compensation Structure. Compensation of the Advisor's portfolio managers and other investment professionals has three primary components: (1) a base salary, (2) an annual cash bonus and (3) annual stock-based compensation consisting generally of restricted stock units of the Advisor's parent, CNS. The Advisor's investment professionals, including the portfolio managers, also receive certain retirement, insurance and other benefits that are broadly available to all of its employees. Compensation of the Advisor's investment professionals is reviewed primarily on an annual basis.

Method to Determine Compensation. The Advisor compensates its portfolio managers based primarily on the total return performance of funds and accounts managed by the portfolio manager versus appropriate peer groups or benchmarks. C&S uses a variety of benchmarks to evaluate each portfolio manager's performance for compensation purposes, including the S&P 1500 Utilities Index, Merrill Lynch Fixed Rate Preferred Index and other broad based indexes based on the asset classes managed by each portfolio manager. In evaluating the performance of a portfolio manager, primary emphasis is normally placed on one- and three-year performance, with secondary consideration of performance over longer periods of time. Performance is evaluated on a pre-tax and pre-expense basis. In addition to rankings within peer groups of funds on the basis of absolute performance, consideration may also be given to risk-adjusted performance. For funds and accounts with a primary investment objective of high current income, consideration will also be given to the fund's and account's success in achieving this objective. For portfolio managers responsible for multiple funds and accounts, investment performance is evaluated on an aggregate basis. The Advisor does not have any funds or accounts with performance-based advisory fees. Portfolio managers are also evaluated on the basis of their success in managing their dedicated team of analysts. Base compensation for

portfolio managers of the Advisor varies in line with the portfolio manager's seniority and position with the firm.

Salaries, bonuses and stock-based compensation are also influenced by the operating performance of the Advisor and CNS. While the annual salaries of the Advisor's portfolio managers are fixed, cash bonuses and stock based compensation may fluctuate significantly from year to year, based on changes in manager performance and other factors.

Item 9. Purchases of Equity Securities by Closed-End Management Investment Company and Affiliated Purchasers.

	(a)	(b)	(c)	(d)
Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased part of publicly announced plans or programs	Maximum number (or approximate dollar value) of shares (or units) that may yet be purchased under the plans or programs
6/12/08 to 6/30/08	N/A	N/A	N/A	N/A
7/01/08 to 7/31/08	N/A	N/A	N/A	N/A
8/01/08 to 8/31/08	N/A	N/A	N/A	N/A
9/01/08 to 9/30/08	N/A	N/A	N/A	N/A
10/01/08 to 10/31/08	N/A	N/A	N/A	N/A
11/01/08 to 11/30/08	N/A	N/A	N/A	N/A
12/01/08 to 12/31/08	N/A	N/A	N/A	N/A

Note: On June 12, 2008, the Board of Directors of the Fund approved the delegation of its authority to management to effect repurchases, pursuant to management's discretion and subject to market conditions and investment considerations, of up to 10% of the Fund's total assets (Share Repurchase Program) through the current fiscal year ending December 31, 2008. On December 17, 2008, the Board of Directors authorized the continuation of the Share Repurchase Program through fiscal year ending December 31, 2009.

Item 10. Submission of Matters to a Vote of Security Holders.

Not applicable.

Item 11. Controls and Procedures.

(a) The registrant's principal executive officer and principal financial officer have concluded that the registrant's disclosure controls and procedures are reasonably designed to ensure that information required to be disclosed by the registrant in this Form N-CSR was recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, based upon such officers' evaluation of these controls and procedures as of a date within 90 days of the filing date of this report.

(b) There were no changes in the registrant's internal control over financial reporting that occurred during the second fiscal quarter of the period covered by this report that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

Item 12. Exhibits.

(a)(1) Not applicable.

(a) (2) Certifications of principal executive officer and principal financial officer as required by Rule 30a-2(a) under the Investment Company Act of 1940.

(b) Certifications of chief executive officer and chief financial officer as required by Rule 30a- 2(b) under the Investment Company Act of 1940.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COHEN & STEERS SELECT UTILITY FUND, INC.

By: /s/ Adam M. Derechin
Name: Adam M. Derechin
Title: President and Chief Executive Officer

Date: March 6, 2009

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Adam M. Derechin
Name: Adam M. Derechin
Title: President and Chief Executive Officer
(principal executive officer)

By: /s/ James Giallanza
Name: James Giallanza
Title: Treasurer
(principal financial officer)

Date: March 6, 2009
