



**PRESS RELEASE**  
**December 9, 2010**  
**TSX - PHX.UN**

## **PHOENIX ANNOUNCES 2011 CAPITAL EXPENDITURE BUDGET SET AT \$37.8 MILLION**

Phoenix Technology Income Fund ("Phoenix" or the "Fund") is pleased to announce its 2011 capital expenditure budget has been approved at \$37.8 million. The budget includes the expected addition of 25 positive pulse MWD systems that will increase Phoenix's job capacity from 154 at the end of 2010 to 179 in 2011. The majority of these MWD systems are expected to be delivered in the first quarter of 2011 and are anticipated to be deployed throughout the Fund's operating regions; Canada, US, Albania, Peru, Colombia and Russia. Phoenix presently expects to fund this spending through cash flows from operating activities, working capital and its debt facilities where required.

In order to allow for future financial flexibility the Fund has increased its extendible revolving debt facility with its bank by \$15 million to \$40 million.

It is expected that the demand for Phoenix's services will continue to increase during the remainder of 2010 and in 2011, and that the capital expenditures will allow Phoenix to meet this demand.

### **About Phoenix Technology Income Fund**

Phoenix is in the business of providing horizontal and directional technology and drilling services in Canada, the United States, Peru, Albania and Russia. Phoenix manufactures and develops drilling technologies for use in the Fund's internal operations. The Fund maintains its corporate head office, research and development, Canadian sales, service and operational centers in Calgary, Alberta. The Fund's US operations, conducted through the Fund's wholly-owned subsidiary, Phoenix Technology Services USA Inc. ("Phoenix USA") is headquartered in Houston, Texas. Phoenix USA has sales and service facilities in Houston, Texas; Traverse City, Michigan; and Casper, Wyoming. In addition, sales offices are located in Denver, Colorado, Fort Worth, Texas; Corpus Christi, Texas and Buckhannon, West Virginia. Phoenix has a sales office and service facility in Peru, a service facility in Albania and a sales and operations facility in Russia.

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## **Reader Advisory**

*Certain information in this news release contains forward-looking statements including management's assessment of future plans and operations of Phoenix, the 2011 capital expenditure budget, anticipated 2011 capital expenditures and timing thereof, and expectations regarding demand for Phoenix's services. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Phoenix's control including, without limitation, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of exchange rates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. As a consequence, actual results may differ materially from those anticipated in the forward-looking statements. Readers are cautioned that the forgoing list of factors is not exhaustive. Additional information on these and other factors that could effect Phoenix's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) and at Phoenix's website ([www.phxtech.com](http://www.phxtech.com)). Furthermore, the forward-looking statements contained in this news release are made as at the date of this news release and Phoenix does not undertake any obligation to update publicly or to revise any of the forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

*The Toronto Stock Exchange has neither approved nor disapproved the information contained herein.*