

**FOR IMMEDIATE RELEASE: DECEMBER 15, 2010**

**TSX SYMBOL: PHX.UN**

**PHOENIX TECHNOLOGY INCOME FUND CONFIRMS CASH DISTRIBUTION FOR  
JANUARY 14, 2011**

CALGARY, ALBERTA – Phoenix Technology Income Fund ("Phoenix") confirms that the monthly cash distribution for the month of December in the amount of \$0.04 per trust unit, will be paid on January 14, 2011 to unitholders of record on December 31, 2010.

The cash distribution for the month of December will be the last cash distribution paid by the Fund, subject to completion of the previously announced plan of arrangement (the "**Arrangement**") pursuant to which the Fund will be reorganized into a corporate structure carrying on business under the name "PHX Energy Services Corp." ("**PHX**"), which Arrangement is expected to become effective on December 31, 2010. Following completion of the Arrangement, PHX will establish a dividend policy of paying monthly dividends to the holders of common shares of PHX, with the initial monthly dividend presently anticipated to be \$0.04 per common share payable to shareholders of PHX of record on January 31, 2011, and paid in the normal course on or about February 15, 2011.

**About Phoenix Technology Income Fund**

Phoenix Technology Income Fund provides horizontal and directional drilling services to oil and natural gas exploration and development companies in Canada, the United States, Peru, Russia and Albania. Phoenix's trust units are listed on the Toronto Stock Exchange under the symbol "PHX.UN".

**For further information please contact:**

Phoenix Technology Income Fund  
John Hooks  
President and Chief Executive Officer  
Phone: (403) 543-4466

or

Phoenix Technology Income Fund  
Cameron Ritchie  
Chief Financial Officer  
Phone: (403) 543-4466

or

visit our website at [www.phxtech.com](http://www.phxtech.com)

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