



PHOENIX
TECHNOLOGY INCOME FUND

Annual General Meeting
May 10, 2007

Presented by:
John Hooks, President & CEO
Cameron Ritchie, CFO & VP Finance

When the going gets tough,

Forward-Looking Statements

Some matters discussed in this presentation may be considered to be forward-looking statements. Such statements include declarations regarding management's intent, belief or current expectations. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve a number of risks and uncertainties. Actual results could differ materially from those indicated by such forward-looking statements. Such risks and uncertainties include: the possible unavailability of financing, risks related to the uncertainty inherent in the oil and gas horizontal and directional services industry, the impact of energy price fluctuations, the seasonal nature of business, the dependence on third party suppliers and contractors, changes in government regulation, the impact of competition, the successful commercialization of certain technologies, the dependence upon competent employees including senior management, and fluctuations in currency exchange rates and interest rates.

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Market Data PHX.UN

As of May 2, 2007

Exchange	Toronto Stock Exchange
Shares Outstanding	22.3 million
Share Price (as of May 2, 2007)	\$9.24
52 Week High / Low	\$10.50 / \$6.25
Current Distributions	\$0.065 month / \$0.78 year
Market Capitalization (as of May 2, 2007)	\$206 million
Trading Average (for month of April)	27,644 / day
Insiders Position	36%
Yield	8.5%

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Description of Trust

- Provides horizontal and directional drilling services and technology in Canada and US.
- Develops and manufactures proprietary drilling guidance systems.
- Strong foundation to reward shareholders with distributions and shareholder value.



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Business Plan & Differentiating Strategies

- Corporate philosophy focused on personnel motivation and retention.
- Phoenix developed technology that provides access to unconventional high end market segments.
- Positioned to pursue internal and external growth opportunities.

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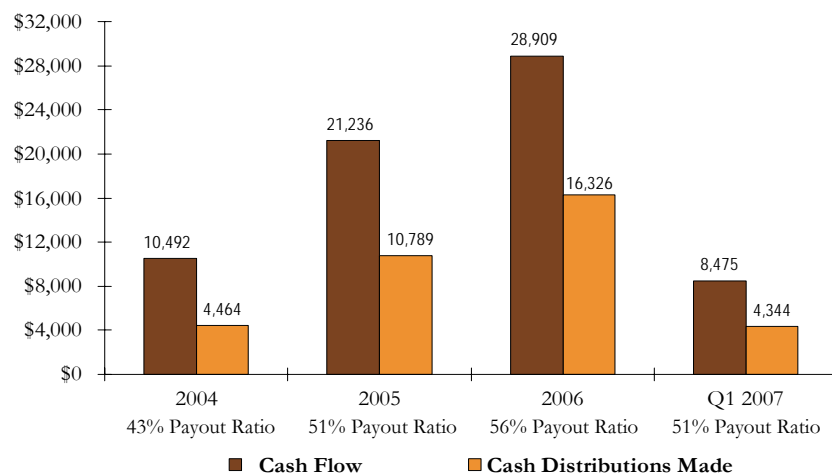
2006 Successes

- ⌘ Expanded presence in US.
 - Opened Operations Centre in Traverse City Michigan.
- ⌘ Added 15 units to MWD fleet to bring to 86 systems at year end.
- ⌘ Motor servicing facility operational in Calgary.

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Cash Flow/Cash Distributions Made

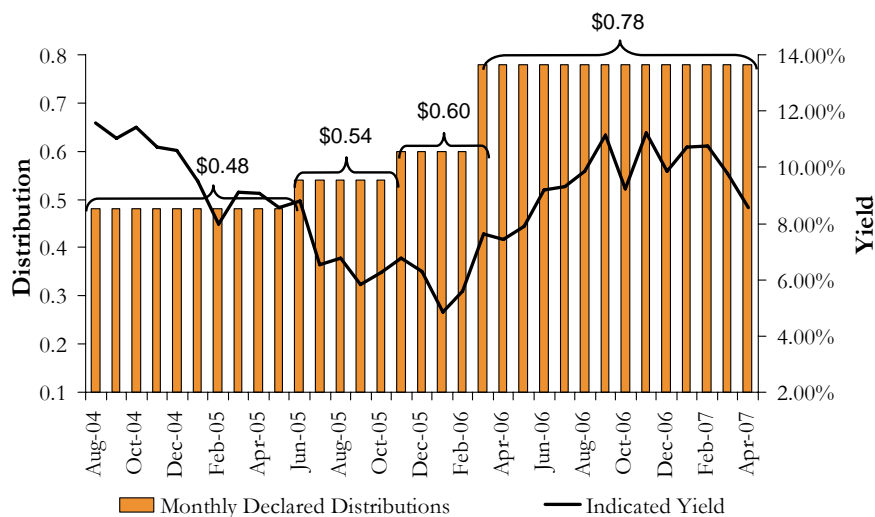
(Stated in 000's of dollars)



Notes:

(1) Cash distributions did not commence until July 2004

Monthly Declared Distribution & Indicated Yield



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Financial Highlights

Year Ended December 31

(Stated in 000's of dollars except per unit amounts, percentages and units outstanding)

Operating Results	2006	2005	% Chg.
Revenue	99,346	69,483	43
Net earnings	20,638	14,063	47
Earnings per unit - diluted	0.92	0.66	39
EBITDA	29,950	21,301	41
EBITDA per unit - diluted	1.34	1.00	34
Cash Flow			
Cash flow	28,909	21,236	36
Cash flow per unit - diluted	1.29	1.00	29
Cash distributions made	16,326	10,789	51
Cash distributions per unit ⁽¹⁾	0.735	0.515	43
Cash payout ratio ⁽²⁾	56%	51%	-
Capital expenditures	12,750	9,390	36
Financial Position			
	31-Dec-06	31-Dec-05	
Working capital	19,611	18,217	8
Long-term debt ⁽³⁾	1,775	1,775	-
Unitholders' equity	58,908	53,588	10
Fund units outstanding	22,274,773	22,120,564	1

⁽¹⁾ Cash distributions on a per unit basis paid in the period.

⁽²⁾ Phoenix defines its cash payout ratio as cash distributions made in the applicable period divided by cash flow for the same period.

⁽³⁾ Includes current portion of long-term debt.

Revenue

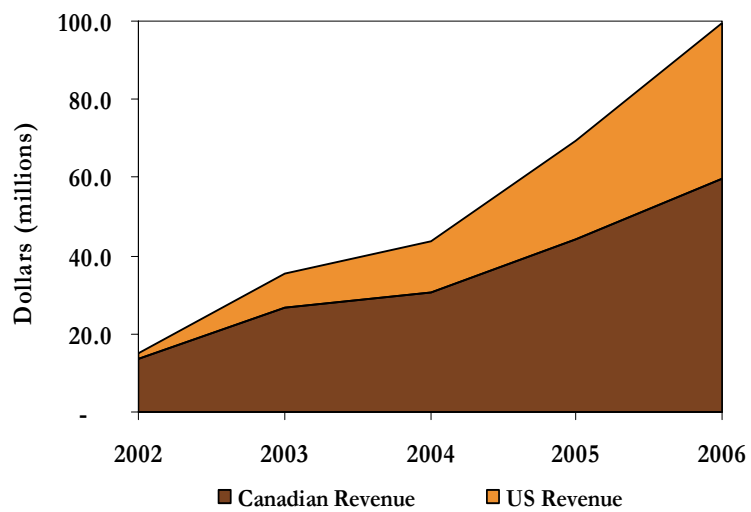
Year Ended December 31

(Stated in 000's of dollars except percentages)

	2006	2005	% Chg.
Canada	59,602	44,373	34
US	39,744	25,110	58
	99,346	69,483	43
US revenue as a % of consolidated revenue	40%	36%	

Revenue

Year Ended December 31



Financial Highlights

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(3) Includes current portion of long-term debt.

Financial Highlights

Three Months Ended March 31

(Stated in 000's of dollars except per unit amounts, percentages and units outstanding)

Operating Results	2007	2006	% Chg.
Revenue	30,008	21,887	37
Net earnings	5,875	5,031	17
Earnings per unit - diluted	0.26	0.22	18
EBITDA	8,493	7,294	16
EBITDA per unit - diluted	0.37	0.32	16
Cash Flow			
Cash flow	8,475	7,466	14
Cash flow per unit - diluted	0.37	0.33	12
Cash distributions made	4,344	3,320	31
Cash distributions per unit ⁽¹⁾	0.195	0.150	30
Cash payout ratio ⁽²⁾	51%	44%	-
Capital expenditures	3,439	3,191	8
Financial Position			
	31-Mar-07	31-Dec-06	
Working capital	20,639	19,611	5
Long-term debt ⁽³⁾	1,775	1,775	-
Unitholders' equity	60,719	58,908	3

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Revenue

Three Months Ended March 31

(Stated in 000's of dollars except percentages)

	2007	2006	% Chg.
Canada	19,049	15,763	21
US	10,959	6,124	79
	30,008	21,887	37
US revenue as a % of consolidated revenue	37%	28%	

Financial Highlights

Three Months Ended March 31

(Stated in 000's of dollars except per unit amounts, percentages and units outstanding)

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Phoenix Performance vs. Industry Activity

Revenue (\$000's)				Industry Activity		
Canadian Operating Segment				Canadian Hz/Dir Wells Drilled		
	2007	2006	% Chg.	2007	2006	% Chg.
Q1	19,049	15,763	21	2,165	2,081	4
	2006	2005	% Chg.	2006	2005	% Chg.
Year End	59,602	44,373	34	7,108	6,847	4
US Operating Segment				US Average Hz/Dir Rig Count		
	2007	2006	% Chg.	2007	2006	% Chg.
Q1	10,959	6,124	79	722	608	19
	2006	2005	% Chg.	2006	2005	% Chg.
Year End	39,744	25,110	58	669	521	28

Source: Daily Oil Bulletin and Baker Hughes

Outlook for 2007

- ⌘ Key focus - training, performance and profitability.
- ⌘ Expand MWD fleet with a minimum of 5 more systems.
- ⌘ Motor servicing facility opened in Michigan in January 2007; an additional facility scheduled for Houston in Q4 2007.
- ⌘ US expansion.

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Research & Development

- ⌘ R&D expenditure has increased by 52% since 2002.
- ⌘ Coil Tubing BHA Orienter.
- ⌘ Satellite System
- ⌘ Inclination-at-Bit Sensor.
- ⌘ Upgrades to existing MWD systems.

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Satellite System

- ⌘ Simultaneously operates multiple drilling projects from one central location.
- ⌘ Field system can be controlled and re-designed over the link to suit customers' needs.
- ⌘ Lower operating costs with reduced field personnel per well.
- ⌘ Well progress information is available 24 hour/day.



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Business as Usual

- ⌘ **Results in Q1 2007 surpassed all previous first quarters in the Company's history.**
- ⌘ **Current day rates charged are consistent with prior year.**
- ⌘ **Low payout ratio and strong balance sheet will provide stable cash distributions.**

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