



NEWS RELEASE

PHOENIX TECHNOLOGY INCOME FUND ANNOUNCES SECURITYHOLDER AND COURT APPROVALS OF PLAN OF ARRANGEMENT

Conversion from Trust to Corporation overwhelmingly approved by Securityholders

CALGARY, ALBERTA, December 1, 2010 – Phoenix Technology Income Fund ("**Phoenix**") is pleased to announce that Phoenix received today securityholder and court approvals for the previously announced plan of arrangement pursuant to which Phoenix will covert (the "**Reorganization**") into a growth oriented, dividend paying, oil and gas services company to be named "PHX Energy Services Corp.". Securityholders of Phoenix voted in excess of 99% in favour of the Reorganization. The Reorganization is expected to become effective on December 31, 2010.

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
Senior Vice President, Finance and Chief Financial Officer
Phone: (403) 543-4466

or

visit our website at www.phoenixcan.com

Forward Looking Statements: *Certain information set forth in this news release, including the expected completion of the Reorganization and timing thereof may contain forward-looking statements, and necessarily involve risks and uncertainties, certain of which are beyond Phoenix's control, including risks associated with the timing and completion of the Reorganization. Actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Phoenix or its securityholders will derive therefrom. Additional information on these and other factors that could affect Phoenix are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com), at Phoenix's website (<http://phoenixcan.com>). Furthermore, the forward-looking statements contained in this news release are made as of the date of this news release, and Phoenix does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.*