

# {pure play}

*A single business focus and devoted one to line of business.*

Annual General Meeting

May 11, 2009



PHOENIX  
TECHNOLOGY INCOME FUND

## 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.

## Description of Trust

- Committed to horizontal and directional drilling services.
- Develops and manufactures downhole technologies for internal operations.
- Focused on North American and International geographic diversification.
- Dedicated to in-house research and development and proprietary technology.
- Strong foundation to reward unitholders with distributions and unitholder value.

## Market Data PHX.UN

As of May 8, 2009

Exchange	Toronto Stock Exchange
Shares Outstanding	24.3 million
Share Price (Close: May 8, 2009)	\$8.55
52 Week High / Low	\$18.26 / \$4.70
Current Distributions per Unit	\$0.085/month or \$1.02/year
Market Capitalization (as of May 8, 2009)	\$208.2 million
Trading Average (for month of April)	36,022/ day
Insiders Position	28%
Yield	12%

## Financial Highlights

(Stated in thousands of dollars except per unit amounts, and percentages )

Three-Month Period Ended March 31,	2009	2008	% Change
<b>Operating Results</b>	<i>(unaudited)</i>	<i>(unaudited)</i>	
Revenue	<b>35,534</b>	42,011	(15)
Net earnings	<b>5,475</b>	7,311	(25)
Earnings per unit – diluted	<b>0.23</b>	0.32	(28)
EBITDA <sup>(1)</sup>	<b>9,033</b>	10,615	(15)
<b>Cash Flow</b>			
Distributable cash <sup>(1)</sup>	<b>9,215</b>	10,015	(8)
Cash distributions made	<b>6,209</b>	4,376	42
Cash payout ratio <sup>(1)</sup>	<b>67%</b>	44%	
<b>Financial Position - <i>(unaudited)</i></b>	<b>March 31, 2009</b>	Dec. 31, 2008	
Working capital	<b>25,974</b>	26,600	(2)
Long-term debt <sup>(2)</sup>	<b>5,000</b>	5,000	-

<sup>(1)</sup> Refer to non-GAAP measures section of Q1 Report .

<sup>(2)</sup> Includes current portion of long-term debt.

\*\* Net earnings, EBITDA, and distributable cash are impacted by a favorable adjustment that related to revised cost accrual estimates in the 2008-year.

## Horizontal & Directional Industry

### Canadian Industry Drilling

- Horizontal and directional drilling days decreased 19% in Q1 09 as compared to Q4 08.
- Horizontal and directional wells represented 50% of all wells drilled in Q1 09.
  - An increase from the 45% represented in Q4 08.

### US Industry Drilling

- Average number of horizontal and directional rigs running was 24% less in Q1 09 compared to Q4 08.
- Horizontal and directional activity represented 57% of all wells drilled in Q1 09.
  - An increase from the 52% represented in Q4 08.

## 2008: What We Did

- Maintained strong balance sheet with no debt while increasing capital expenditures to record levels.
- Diversified North American and International operating locations by focusing on organic growth.
- Focused on developing new technology and manufacturing at low capital costs.
- Maintained low distribution payout ratio after a 31% increase.

## 2009 Industry Outlook

Economic recession caused depressed commodity prices and reduced industry activity.

Floor predications of drilling levels have become a reality; dropping beneath our expectations.

Strong pressure on future natural gas production and storage levels will deplete supply at a quicker pace than expected.

Gas prices may, therefore, increase in 2009 with an associated increase in drilling activity.



## Expectations for Resurgence

- North American drilling will trend to shale gas and horizontal drilling applications.
- Will escalate the current record percent of wells that are drilled horizontally and directionally.



# Emerging Competitively Stronger

## Cost Reductions & Efficiencies Strategy

In Q1 09, implemented company-wide salary and bonus plan cuts, reduced employee numbers, and decreased field personnel rates.

## Organic Growth

Expansion to Peru and Albania.

Explore more international opportunities.

## Intensified R&D Programs

Numerous projects that include new technologies targeted towards shale gas plays and horizontal oil well drilling applications.

## Maintain Unitholder Reward

Diligently work to maintain distribution levels to reward unitholders.

## Board of Directors & Management Team

- James K. Gray, O.C.  
Director
- Randolph M. Charron  
Director
- J. Cameron Bailey  
Director
- Myron Tetreault  
Director
- John Hooks  
President, CEO & Chairman of the Board
- Cameron M. Ritchie  
Sr. VP Finance, CFO & Corporate Secretary
- Mike Buker  
Sr. VP Business Development
- Dan Blanchard  
VP Operations
- Jeff Shafer  
VP Sales & Marketing
- Carrie Lonardelli  
VP Finance
- Edward Chiamonte  
VP Nevis Energy Services Inc