



PHOENIX
TECHNOLOGY INCOME FUND

Deliberate Direction

January 29, 2009

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

- 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.**

Market Data PHX.UN

As of January 27, 2009

Exchange	Toronto Stock Exchange
Shares Outstanding	24.3 million
Share Price (Close: January 27, 2009)	\$7.65
52 Week High / Low	\$18.26 / \$7.02
Current Distributions	0.085 month / \$1.02 year
Market Capitalization (as of January 27, 2009)	\$186.18 million
Trading Average (for month of December)	43,888/ day
Insiders Position	36%
Yield	13.3%



Recent Highlights

- April 20, 2008
 - Phoenix announced a 31% increase of distributions effective for May 2008.
- May 27, 2008
 - Bought deal financing agreement completed and resulted in proceeds of \$17 million.
- September 30, 2008
 - Announced record operational and financial results for third quarter.



Challenges Ahead

- E&P's reducing capital expenditures.
- Lower commodity prices.
- Lower activity in Canada and the US
 - 2009 Canadian industry forecast 14,500 wells
(Source: Peter's & Co.)



What We Did

- Maintained strong balance sheet with no debt while increasing capital expenditures to record levels.
- Diversified 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.

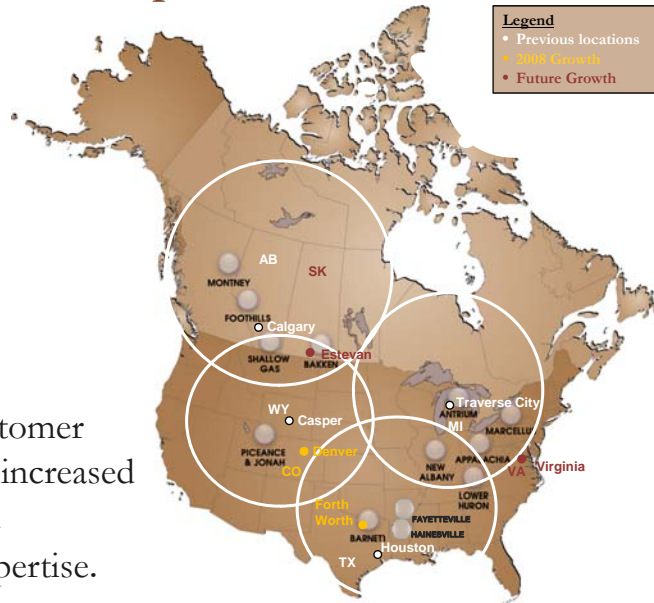


What We Will Do

- Substantially increase R&D to provide an even greater emphasis on new technology.
- Capital expenditures reduced to maintenance levels.
- Diligently work to maintain distributions levels to reward shareholders.
- Continue to diversify organically in new areas of activity.

Concentrated Expansion

Continued customer focus through increased sales force and operational expertise.



Financial Highlights

Three & Nine-Month Periods ended September 30, 2008
(Stated in thousands of dollars except per unit amounts, cash payout ratios and units outstanding)

	Three-month period ended September 30,			Nine-month period ended September 30,		
	2008	2007	% Change	2008	2007	% Change
Operating Results	<i>(unaudited)</i>	<i>(unaudited)</i>		<i>(unaudited)</i>	<i>(unaudited)</i>	
Revenue	48,206	33,560	44	116,280	84,529	38
Net earnings	9,525	6,129	55	19,116	12,932	48
Earnings per unit – diluted	0.38	0.26	46	0.80	0.56	43
EBITDA ⁽¹⁾	13,402	8,428	59	28,601	19,253	49
EBITDA per unit – diluted ⁽¹⁾	0.54	0.36	50	1.20	0.83	45
Cash Flow						
Cash flows from operating activities	1,485	2,637	(44)	17,734	16,495	8
Distributable cash ⁽¹⁾	12,129	9,228	31	25,276	21,517	17
Distributable cash per unit – diluted ⁽¹⁾	0.49	0.40	23	1.06	0.93	14
Cash distributions made	6,197	4,367	42	15,557	13,062	19
Cash distributions per unit ⁽²⁾	0.255	0.195	31	0.665	0.585	14
Cash payout ratio ⁽¹⁾	51%	47%		61%	61%	
Capital expenditures	8,081	5,832	39	23,228	11,161	108
Financial Position				Sept 30, 2008	Dec. 31, 2007	
Working capital				24,357	15,800	54
Long-term debt				-	1,775	(100)
Unitholders' equity				86,109	59,860	44
Fund units outstanding				24,324,759	22,434,044	8

⁽¹⁾ Refer to non-GAAP measures section of Q3 Report

⁽²⁾ Cash distributions on a per unit basis paid in the period.