



PHOENIX  
TECHNOLOGY INCOME FUND



June 21, 2007

Presented by:  
Mike Buker, Sr. VP Business Development

**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 June 18, 2007

Exchange	Toronto Stock Exchange
Shares Outstanding	22.3 million
Share Price (as of June 18, 2007)	\$9.25
52 Week High / Low	\$9.85 / \$6.25
Current Distributions	\$0.065 month / \$0.78 year
Market Capitalization (as of June 18, 2007)	\$207 million
Trading Average (for month of May)	46,358 / day
Insiders Position	36%
Yield	8.4%

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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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## Recent Initiatives

- Expanded presence in US.
  - Operations Centre in Traverse City Michigan.
  - Sales Office in Denver, Colorado and Oklahoma City, Oklahoma.
  - Additional Senior Sales Representative in Houston, Texas.

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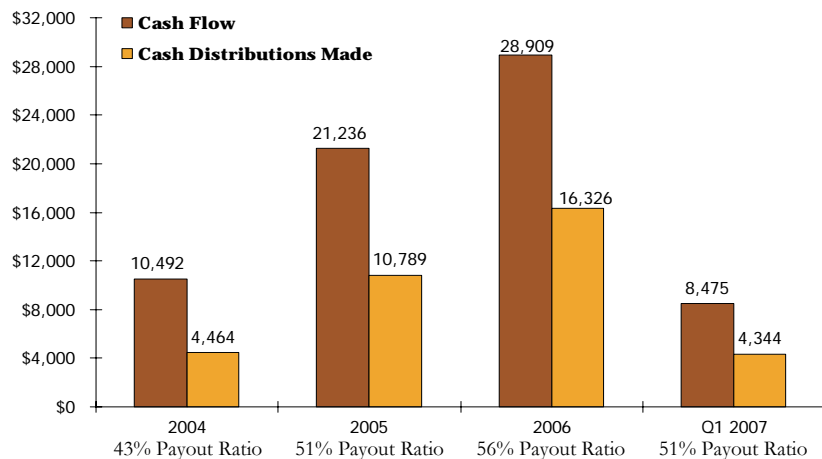
## Recent Initiatives

- ❖ MWD fleet at year end 2006 contained 86 systems.
  - Additional 10 systems planned for 2007.
- ❖ Motor Servicing Facilities
  - Operational in Calgary Q4 2006 and Traverse City Q1 2007.
  - Houston facility projected for Q4 2007.
  - Full benefits to be realized in 2008.

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## Cash Flow/Cash Distributions Made

(Stated in 000's of dollars)

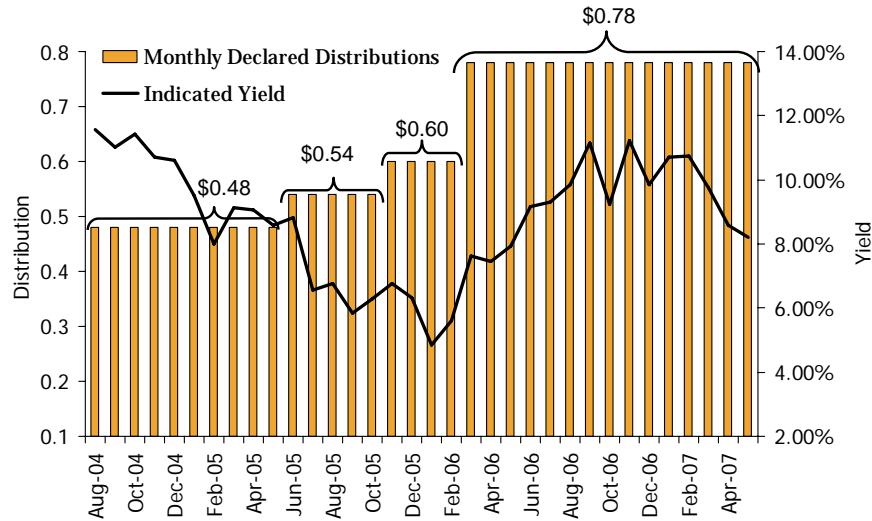


Notes:

(1) Cash distributions did not commence until July 2004

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## 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)

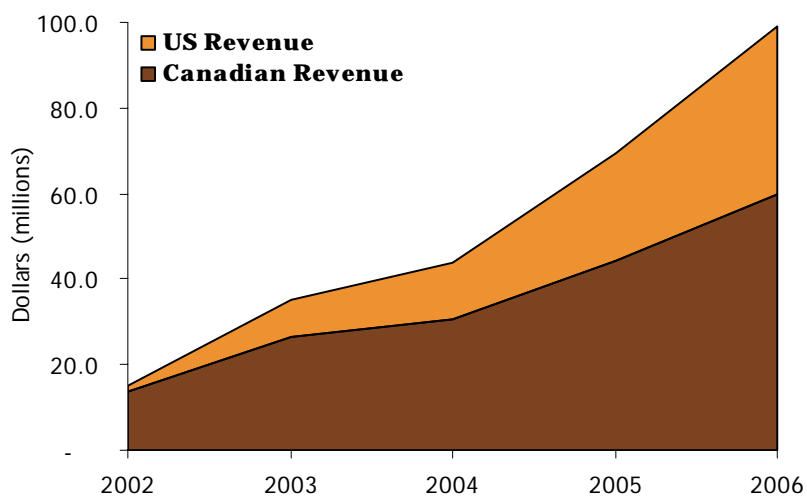
Operating Results	2006	2005	% Chg.
Revenue	99,346	69,483	43
Net earnings	20,638	14,063	47
Earnings per unit - diluted	0.92	0.66	39
EBITDA	29,950	21,301	41
EBITDA per unit - diluted	1.34	1.00	34
<b>Cash Flow</b>			
Cash flow	28,909	21,236	36
Cash flow per unit - diluted	1.29	1.00	29
Cash distributions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



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## 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
<b>Cash Flow</b>			
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 <sup>(1)</sup>	0.195	0.150	30
Cash payout ratio <sup>(2)</sup>	51%	44%	-
Capital expenditures	3,439	3,191	8
<b>Financial Position</b>			
	31-Mar-07	31-Dec-06	
Working capital	20,639	19,611	5
Long-term debt <sup>(3)</sup>	1,775	1,775	-
Unitholders' equity	60,719	58,908	3

(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.

## 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	<b>21</b>	2,165	2,081	<b>4</b>
	2006	2005	% Chg.	2006	2005	% Chg.
Year End	59,602	44,373	<b>34</b>	7,108	6,847	<b>4</b>
US Operating Segment				US Average Hz/Dir Rig Count		
	2007	2006	% Chg.	2007	2006	% Chg.
Q1	10,959	6,124	<b>79</b>	722	608	<b>19</b>
	2006	2005	% Chg.	2006	2005	% Chg.
Year End	39,744	25,110	<b>58</b>	669	521	<b>28</b>

Source: Daily Oil Bulletin and Baker Hughes

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## Goals

- ❖ Key focus - training, performance and profitability.
  - Equates to customer satisfaction.
- ❖ US Expansion
  - Currently hold 2% of market share, Canadian market share is greater.
  - Larger rig count than Canada.
  - Opportunity to grow.
- ❖ Expand MWD fleet with 10 more systems.
- ❖ Considering international partnerships.

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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

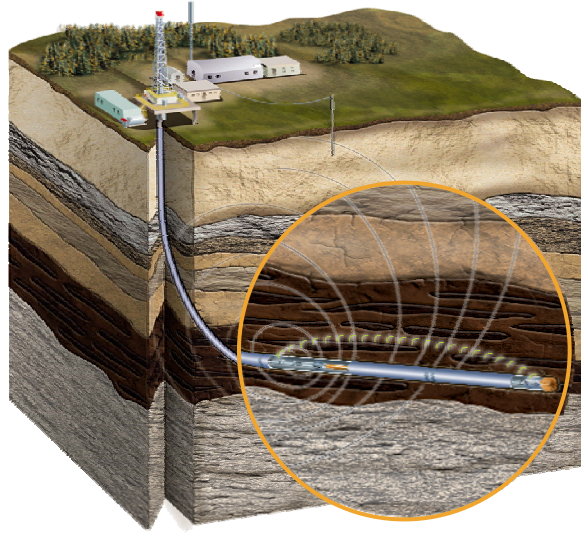
- ❧ Simultaneously operates multiple drilling projects from one central location.
- ❧ Field system can be controlled and re-designed over the link to suit customers' needs.
- ❧ Lower operating costs with reduced field personnel per well.
- ❧ Well progress information is available 24 hour/day.



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## Inclination-at-Bit Sensor



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## The Tough Keep Growing

- ⌘ Results in Q1 2007 surpassed all previous first quarters in the Company's history.
- ⌘ Diversification to aid growth .
  - Q1 2007 approximately 32% of Canadian wells drilled were oil wells.
- ⌘ Low payout ratio and strong balance sheet will provide stable cash distributions.

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## Board of Directors



- ♪ James K. Gray, O.C.
- ♪ J.G. (Jeff) Lawson
- ♪ Randolph M. Charron
- ♪ Elson J. McDougald
- ♪ J. Cameron Bailey
- ♪ John M. Hooks
- ♪ Myron Tetreault

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## Key Personnel

- ♪ John Hooks - President, CEO & Director
- ♪ Cameron M. Ritchie, Sr. VP Finance & CFO
- ♪ Mike Buker, Sr. VP Business Development
- ♪ Dan Blanchard, VP Operations
- ♪ Jeff Shafer, VP Sales & Marketing

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