



PHOENIX
TECHNOLOGY INCOME FUND



Peters & Co. Limited
2006 North American Oil & Gas Conference

Presented by:
John Hooks, President & CEO
September 14, 2006

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 September 11, 2006

Exchange	Toronto Stock Exchange
Shares Outstanding	22.3 million
Share Price	\$7.80
52 Week High / Low	\$12.70 / \$7.55
Current Distributions	\$0.065 month / \$0.78 year
Market Capitalization	\$174 million
Trading Average (for month of July)	43,000 / day
Insiders Position	36%
Yield	10%

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Locations

Canadian Operations

Head Office, Operations
Drilling Services, R&D,
CLT Manufacturing &
Downhole Tool Rentals

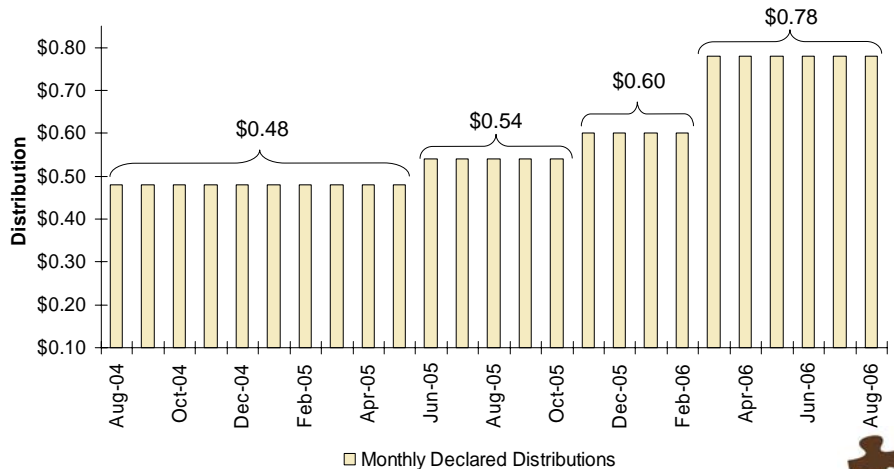
US Operations

Directional & Horizontal Drilling Services



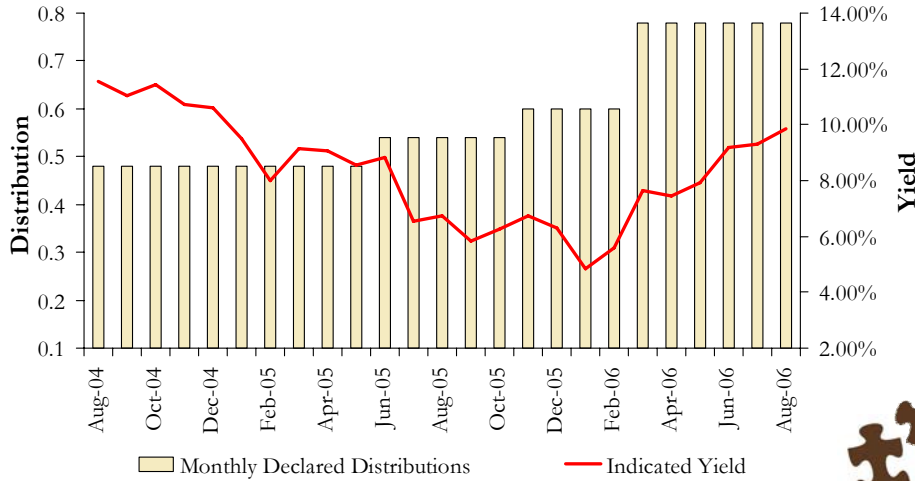
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Declared Distributions



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Monthly Declared Distribution & Indicated Yield



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Financial Highlights

Three Months Ended June 30

(Stated in 000's of dollars except per share amounts and shares outstanding)

Operating Results	2006	2005	% Chg.
Revenue	\$ 18,490	\$ 11,681	58
Net earnings	2,356	1,053	124
Earnings per unit - diluted	0.11	0.05	120
EBITDA	4,175	2,227	87
EBITDA per unit - diluted	0.19	0.11	73
Cash Flow			
Cash flow	\$ 3,823	\$ 2,172	76
Cash flow per unit - diluted	0.17	0.10	70
Cash distributions made	4,324	2,473	75
Cash distributions per unit ⁽¹⁾	0.195	0.12	63
Cash payout ratio ⁽²⁾	113%	114%	-
Capital expenditures	4,294	1,496	187

(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.

Financial Highlights

Six Months Ended June 30

(Stated in 000's of dollars except per share amounts and shares outstanding)

Operating Results	2006	2005	% Chg.
Revenue	\$ 40,377	\$ 27,773	45
Net earnings	7,387	4,566	62
Earnings per unit - diluted	0.33	0.22	50
EBITDA	11,469	7,122	61
EBITDA per unit - diluted	0.51	0.34	50
Cash Flow			
Cash flow	\$ 11,289	\$ 6,984	62
Cash flow per unit - diluted	0.51	0.34	50
Cash distributions made	7,643	4,945	55
Cash distributions per unit ⁽¹⁾	0.345	0.24	44
Cash payout ratio ⁽²⁾	68%	71%	-
Capital expenditures	7,486	2,897	158
Financial Position			
	30-Jun-06	31-Dec-05	
Working capital	\$ 14,258	\$ 18,217	(22)
Long-term debt ⁽³⁾	1,025	1,775	(42)
Unitholders' equity	53,580	53,588	-
Fund units outstanding	22,239,608	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) Excludes current portion of long-term debt.

Top Clients

Six Months Ended June 30

++ Canada

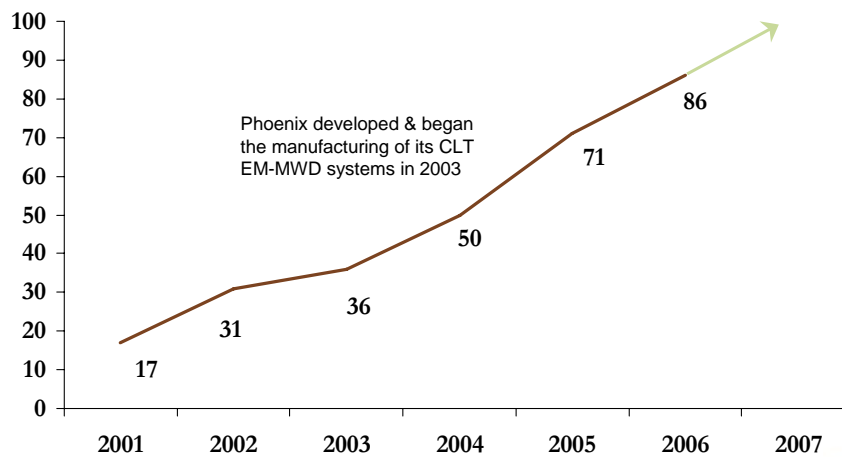
1. Canadian Natural Resources Limited
2. Compton Petroleum Corporation
3. Canetic Resources Inc.
4. Husky Oil Operations Limited
5. Northrock Resources Ltd.

++ US

1. XTO Energy Inc. (Gulf Region)
2. Reichmann Petroleum Corp. (Gulf Region)
3. Quicksilver Resources Inc. (NE Region)
4. CNX Gas Corporation (NE Region)
5. DTE Energy Company (NE Region)

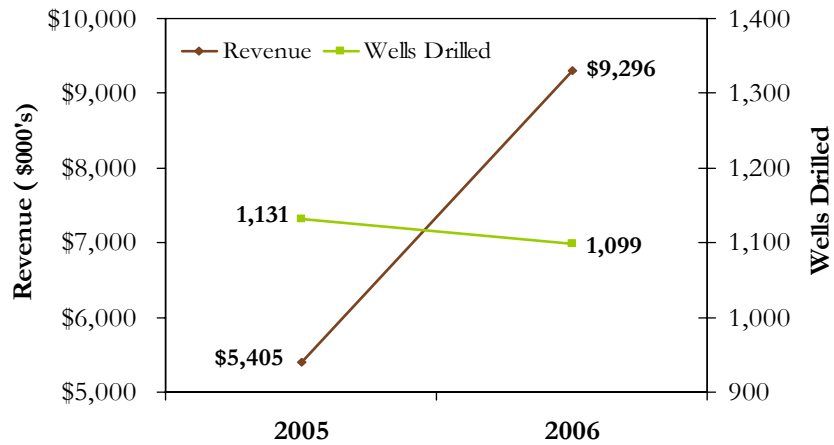
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MWD Operating Systems



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Q2 Canadian Revenue vs. Wells Drilled



✦ Phoenix's revenue increased 72%, wells drilled decreased by 3%.

Research & Development



Upcoming technological advancements

- ✦ Inclination-at-Bit Sensor
- ✦ Coil Tubing BHA Orienter
- ✦ Satellite System

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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Market Outlook



- ✦ PSAC's latest forecast sees a total count of 23,410 wells drilled (rig released) in 2006.
- ✦ Phoenix expects that approximately 25% of these wells will utilize horizontal / directional drilling.
- ✦ Expected increases in equipment utilization through longer duration wells.
- ✦ Upside in unconventional drilling applications (SAGD and Underbalanced).

Board of Directors



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

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Key Personnel

- ✦ John Hooks - President, CEO & Director
- ✦ Cameron M. Ritchie, Sr. VP Finance & CFO
- ✦ Dan Blanchard, VP Operations
- ✦ Mike Buker, VP Sales & Marketing
- ✦ Myron A. Tetreault, General Counsel & Corporate Secretary

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