

## **NEWS RELEASE**

### **IP Applications Corp. Business and Products Update**

**Vancouver, May 24, 2007** - IP Applications Corporation (TSX-Venture: IPX) wishes to update investors on the Company's progress in 2007. To increase shareholder value, IP Applications has made the Company's ongoing operations more efficient while sourcing and developing new products to generate future growth.

John Jacobson, President and CEO said "IP Applications' business operations are more efficient now, and that's reduced our cash needs dramatically compared with prior years. In addition, the new products we announced late last year are coming to market and we're starting to receive orders for some of them. As well as improving our existing business, we're working on a new strategy for green online products and services to help consumers respond to global warming and the high cost of energy. Thinking 'green' opens up a whole new range of product opportunities for IP Applications."

#### **Business Operations**

To become more efficient, the Company has focused on serving a smaller number of larger customer contracts with a narrower range of products. The increase in efficiency gained from this strategy over the past year has made the Company much less reliant on investor financing to support operations.

During the first quarter of 2007, the Company had its first ever quarter of positive EBITDA, a substantial improvement over the \$.06 million EBITDA loss during the first quarter of 2006 and even more over the \$1.4 million EBITDA loss in 2005. Work on improving efficiency will continue in 2007 to move the Company's performance closer to profitability.

#### **Core Product Updates**

To satisfy the evolving needs of the existing customer base, the Company has added high speed DSL internet access in the US market and has partnered with a VOIP exchange operator to offer VOIP service to its customers. In addition to providing VOIP services, it is updating its data center billing software so that it can provide customer billing services to other VOIP operators.

#### **New Products**

Late in 2006, the Company announced that it was bringing three new products to market in 2007.

The first new product, MyHelpDesk.com, has received considerable interest and positive reviews but it has not yet contributed significant revenue. The Company is adjusting its MyHelpDesk.com marketing strategy for the second half of the year.

The second new product, the Voyager trouble-ticketing system delivered as a hosted service, has met with some success. One large customer that uses IP Applications' call center for its front-line customer service has started using this Voyager product for their internal operations. The combination of IP Applications' front-line customer service and hosted ticketing delivers the efficiency of outsourcing and the speed and transparency of in-house customer-care solutions.

The third new product, web technology that supports online commerce and subscriber-turnover reduction strategies for affinity groups and multi-level marketing companies, is being developed in conjunction with a key customer, with a target delivery date during the third quarter of 2007. Following the launch with the first customer, the Company will commence broader marketing activities with the technology.

#### **Green Opportunities**

Beyond improving the profitability of its ongoing operations and maintaining and enhancing its core products, IP Applications is also looking for radically new ways to use its core capabilities. The Company is developing a new "green" strategy to find, or if necessary to develop, new online products and services that enhance consumers' ability to take action on global warming and respond to the soaring cost of energy and natural resources. Further announcements will be made as the opportunity and products become available.

## **About IP Applications**

IP Applications Corp. serves companies bringing online products, services, content, and internet access to market. IP Applications provides a flexible combination of technology, systems and expertise for customers who have channels and products but who lack the delivery and support capabilities. IP Applications' integrated Operational Support System and contract Help Desk services dramatically reduce the cost, complexity and time to market for online products and services.

## **Forward-Looking Statements**

This press release may contain forward-looking statements. Actual events or results may differ materially from those described in the forward-looking statements due to a number of risks and uncertainties. Forward-looking statements are based on management's estimates, beliefs, and opinions. The company assumes no obligation to update forward-looking statements.

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

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