

NEWS RELEASE

IP Applications Corp. Reports Q1 2008 Results

VANCOUVER, BC – May 29, 2008 – IP Applications Corp. (TSX-Venture: IPX) today announced its quarterly results for the three-month period ended March 31, 2008.

For the quarter ended March 31, 2008 revenue was \$1.7M, a decrease of 21% from \$2.1M in the corresponding period in 2007. The net loss decreased 26% to \$(138)K from \$(186)K. EBITDA loss was \$(99)K as compared to EBITDA of 25K in the corresponding quarter in 2007.

Overview of the first three months of 2008:

- Stepped up market research efforts at Software as a Service (“SaaS”) software conferences in Santa Clara and Las Vegas, and engaged SaaS specialist market and business strategy consultants
- Took the initial steps to repurposing its already developed products and services to address the fast growing SaaS and Cloud Computing markets
- Gross Margin decreased to 39% in Q1 2008 as compared to 47% in Q1 2007 due primarily to short term staffing issues in the technical support center and devaluation of the US\$ quarter over quarter
- Operating expenses decreased 29% to \$0.8M as compared to \$1.1M in Q1 2007 due to improved cost efficiencies

John Jacobson, President and CEO said “In the first quarter we allocated significant staff and cash resources in our plan to repurpose the assets of IP Applications into the fast growing Software as a Service and Cloud Computing markets. Our billing, administration and marketing on demand services are required by these new computing models and major players in the enterprise software space are searching for technical solutions to these business problems. Our unique multi-tenant on-demand administration hub is in place and we’re developing and implementing our go-to-market strategy. Our target customers are the large enterprise software hosting companies, integration services vendors and evolving platform companies. Our intention is to transition IP Applications as rapidly as possible into this fast-growing high-value market.”

Non-GAAP measures

EBITDA is a key measure used by management to evaluate the Company’s performance. Management believes that EBITDA is useful as it provides an indication of the results generated by the Company’s business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration asset depreciation and other non-cash expenditures. EBITDA is not a recognized measure under Canadian GAAP, and accordingly, investors are cautioned that EBITDA should not be construed as an alternative to net earnings or loss determined in accordance with GAAP as an indicator of the financial performance of the Company or as a measure of the Company’s liquidity and cash flows. EBITDA may not be comparable to similar measures presented by other issuers. The schedule below details how IP Applications reconciles its net loss per GAAP to EBITDA for the most recent four quarters:

(000's)	March 31 2008	December 31 2007	September 30 2007	June 30 2007
Operating Loss	\$(138)	\$(280)	\$(197)	\$(247)
Amortization	45	111	107	122
Stock-Based Compensation	20	37	31	60
Other	(26)	-	52	52
EBITDA	\$ (99)	\$ (132)	\$ (7)	\$(13)

Additional details on the quarterly and year end results, including the audited Consolidated Financial Statements and Management Discussion and Analysis, are available at www.sedar.com under IP Applications Corp.

About IP Applications Corp.

IP Applications delivers hosting, business process automation and customer care for companies in the rapidly expanding Software-as-a-Service (SaaS) market. IP Applications' customers use the Company's data center and staff instead of developing their own infrastructure and administrative software. Customers are free to focus on their product technology while IP Applications solves the end user satisfaction and delivery management issues for them.

Forward-Looking Statements

This press release may contain forward-looking statements. The Company cautions users of this forward-looking information that actual results or events may vary materially either favorably or unfavorably from those described due to a number of risks and uncertainties. Such risks and uncertainties include, but are not limited to: the inability of the Company to accurately forecast the revenue from new and existing customers; the inability of the Company's customers to accurately forecast their own demand for the Company's products and service; changes in the relative value of the US and Canadian dollars; the possibility that one or more customers or suppliers might experience financial difficulties that could affect the Company's ability to deliver and get paid for its products and services; and changes in the growth rate of technology and telecommunications concerns. Refer to the Company's management's discussion and analysis ("MD&A") for further discussion of these and other risks and uncertainties in relation to such forward-looking information.

Forward-looking information is based on management's current expectations, estimates and opinions. Please refer to the MD&A for a discussion of the events and circumstances which occur that cause, or are likely to cause, actual results to differ materially from such forward-looking information.

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

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