

NEWS RELEASE

IP Applications Corp. Achieves Positive EBITDA in the First Quarter of 2007

VANCOUVER, BC – May 24, 2007 – IP Applications Corp. (TSX-Venture: IPX) today announced its quarterly results for the period ended March 31, 2007.

For the quarter ended March 31, 2007 revenue was \$2.1 million compared to \$2.4 million in the corresponding period in 2006. The net loss decreased to \$(0.2) million from \$(0.4) million. EBITDA gain was \$0.03 million, a significant improvement from \$(0.01) million in the corresponding quarter in 2006 and represents a major milestone as the first positive EBITDA in over seven years.

John Jacobson, President and CEO said “We recently announced that we had cut our EBITDA loss by more than half in 2006 compared with 2005. Needless to say, we’re very pleased to follow that announcement with positive EBITDA in the first quarter of 2007. Achieving positive EBITDA is a major milestone on our path to building IP Applications into a platform for future growth. We’re continuing to work on efficiencies and new business opportunities to get the company moving into a growth phase.”

Achievements in the first quarter of 2007

- During the first quarter of 2007, the Company achieved EBITDA of \$25,258. This is the first time the Company has reported positive EBITDA in a quarter in over 7 years, and is the result of our continued focus on operational efficiencies.
- Gross margin of 47% for the quarter ended March 31, 2007, is an increase over the 45% recorded during the three months ended March 31, 2006.
- Operating expenses of \$1.2 million for the quarter ended March 31, 2007, represent a 20% reduction from the \$1.5 million incurred during the three months ended March 31, 2006.
- Net loss for the quarter ended March 31 improved 50% to \$0.2 million in 2007 from \$0.4 million in 2006.
- In March 2007, the Company entered into a revolving line of credit facility with a major Canadian chartered bank. The maximum borrowing limit of \$400,000 is backed by a fixed and floating charge against assets.

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 2007	December 31 2006	September 30 2006	June 30 2006	March 31 2006
Operating Loss	\$(186)	\$(1,361)	\$(472)	\$(640)	\$(411)
Amortization	122	322	318	318	312
Stock-Based Compensation	37	48	88	83	79
Write-down of Intangible assets	-	609	-	-	-
Other	52	75	17	18	6
EBITDA	\$ 25	\$ (307)	\$ (49)	\$ (221)	\$ (14)

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

IP Applications Corp. supports clients that are bringing online products, services, content and Internet access to market. The Company provides a flexible combination of technology, systems and expertise for customers who have identified channels and products but who lack the delivery and support capabilities. IP Applications' integrated Operational Support System (OSS) and Customer Care 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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