

NEWS RELEASE

IP Applications Corp. Announces Share Cross

Vancouver, October 19, 2007 - IP Applications Corporation (TSX-V: IPX) announces that, further to the Company's press release earlier today, the Company has been advised that Pender Growth Fund (VCC) Inc. and Pender Financial Group Corporation have completed a sale of 5,590,300 shares of the Company at \$0.15 per share through the facilities of the TSX Venture Exchange. The net proceeds from this sale will be used to fund Pender Growth Fund (VCC) Inc.'s and Pender Financial Group Corporation's respective portions of the previously announced private placement of up to \$1,200,000.

John Jacobson, President and CEO said "With the new opportunities we're seeing and the new contracts we're winning in the rapidly expanding Software as a Service (SaaS) market, IP Applications needs capital to grow. This share sale funds a significant part of the private placement that provides the growth capital we need.

The overall transaction, including the private placement and the settlement of the company's debt, simplifies the balance sheet and removes the debt burden on operations. I'd like to express our appreciation to the Company's shareholders and our lenders, Pender Growth Fund (VCC) Inc. and Pender Financial Group Corporation, for their continuing support during the restructuring process."

Kelly Edmison, Chairman of the Company, CEO of Pender Financial Group and Chairman of Pender Growth Fund said "This concludes the realignment and reorganization of IP Applications that began several years ago. Since the beginning of 2005, under John's leadership, the Company has cut costs and focused on its customers, changing the product mix to higher margin business. IP Applications has developed new products in response to customer needs and has developed key relationships to the point where they are an integral part of its customers' business processes.

Notwithstanding the dramatic increase in the value of the Canadian dollar, the Company's financial performance has improved markedly, so that it is now approaching profitability.

With all the opportunities presenting themselves and the proven sales and product delivery model we expect great progress in 2008 and beyond. As a proven recurring revenue model company, we expect the company valuation to improve as the capital markets begin to understand the potential of the IP Applications business model."

About IP Applications

The Company delivers 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 to run particular segments of their business operations. While customers are left to focus on their product marketing and technology, IP Applications solves the end user satisfaction and subscriber management issues for them.

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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