

NEWS RELEASE

IP Applications Corp. Reports Q2 2008 Results

VANCOUVER, BC – August 28, 2008 – IP Applications Corp. (TSX-Venture: IPX) today announced its quarterly results for the three and six-month periods ended June 30, 2008.

For the quarter ended June 30, 2008 revenue was \$1.3M, a decrease of 30% from \$1.9M in the corresponding period in 2007. The net loss increased 51% to \$(374)K from \$(247)K. EBITDA loss was \$(313)K as compared to an EBITDA loss of (13)K in the corresponding quarter in 2007.

For the six-months ended June 30, 2008 revenue was \$3.0M, a decrease of 25% from \$4.0M in the corresponding period in 2007. The net loss increased 18% to \$(512)K from \$(433)K. EBITDA loss was \$(412)K as compared to EBITDA of 12K in the corresponding period in 2007.

John Jacobson, President and CEO said “Despite a challenging quarter in the technical support and Internet Service segment of our business, we’re making solid progress establishing our Software as a Service (“SaaS”) business as the dominant driver of future shareholder value. Multiples and valuations of successful SaaS companies are many times greater than conventional help desk and hosted applications providers.

In the second quarter we committed significant staff and cash resources to begin marketing our billing and subscriber management services into the fast growing SaaS and Cloud Computing markets. Early efforts yielded our first contract for these services with Logistica Solutions Inc. of Anaheim, California. Our updated www.SaaSAutomation.com website and online marketing campaigns are also generating new leads. Market research commissioned by the Company shows that companies in the enterprise software space are searching for technical solutions to billing and subscriber management problems. Our intention is to expand and focus IP Applications’ business 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)	June 30 2008	March 31 2008	December 31 2007	September 30 2007
Operating Loss	\$(374)	\$(138)	\$(280)	\$(197)
Amortization	46	45	111	107
Stock-Based Compensation	41	20	37	31
Other	(26)	(26)	-	52
EBITDA	\$(313)	\$(99)	\$(132)	\$(7)

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.

The Company delivers business process automation, customer care and hosting for companies in SaaS and cloud computing, telecom, internet services and electronic commerce markets. Customers can focus on their product marketing while IP Applications provides critical billing, administrative and marketing support capabilities.

More product information is available on its corporate website (www.IPApplications.com) and on its product-specific website (www.SaaSAutomation.com).

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 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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