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NEWS RELEASE

FOR IMMEDIATE RELEASE

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Pender Growth Fund increases investment in IP Applications

VANCOUVER, BC September 14, 2004 – Pender Growth Fund (VCC) Inc. (“Pender Growth Fund” or “the Fund”) announces that it has closed the previously announced private placement investment of \$750,000 in IP Applications Corp. (“IP Applications” or “the Company”) (TSX Venture: IAP), a provider of comprehensive outsourcing solutions to Internet service providers in the United States and Canada. The investment consists of 3,750,000 common shares at a cost of \$0.20 per share.

As a result of the completion of the financing, the Fund now owns an aggregate of 6,750,000 common shares of IP Applications and share purchase warrants to acquire a further 3,000,000 common shares of the Company. Pender Growth Fund currently holds 16.5% of the common shares issued and outstanding of IP Applications, and, assuming the exercise of the Fund’s warrants, will hold approximately 22.2% of the issued and outstanding common shares of the Company, or 18.0% on a fully diluted basis. Pender Growth Fund has acquired these common shares for investment purposes only and the Fund may make further purchases of securities of IP Applications also for investment purposes only.

Pender Growth Fund is a widely held corporation with approximately 2,000 shareholders. The largest shareholder of the Fund is Pender Financial Group (TSX Venture: PDF) which owns approximately 4% of the Fund.

About IP Applications Corp.

IP Applications provides comprehensive outsourcing solutions that enable service providers to deliver high quality Internet services. A leading provider in the industry, IP Applications has an enviable customer list, providing secure Internet business solutions to Sprint, Telus, Excel Telecom, Skycable, AOL and Navigata.

IP Applications meets Internet service providers' needs by combining its customer-branded web-based provisioning, management and billing software with a full range of end user services including: authentication, email, personal web hosting, spam blocking, content filtering, email virus scanning, network acceleration, information portal, North American network and call center coverage.

A single point of contact and trusted supplier, IP Applications backs every services contract with an industry leading Quality of Service guarantee written into every Service Level Agreement. Customers are provided around-the-clock access to a team of experts and all of IP Applications solutions are monitored 24 hours a day, seven days a week, 365 days a year, from its Carrier Class Data and Network Operations Center. Exclusively focused on responding to the growing requirements of businesses that provide Internet services and their end users, IP Applications delivers solutions, which are functional, robust, reliable, easy-to-integrate and compatible with other back-office systems.

About Pender Growth Fund (VCC) Inc.

Pender Growth Fund (VCC) Inc. is an established, diversified venture capital fund that invests in technology companies within the province of British Columbia with the objective of long-term capital appreciation. Pender Growth Fund is now the first fund of its kind in British Columbia to focus specifically on expansion and restructuring opportunities within the technology sector that offer investors the potential for liquidity through either existing public listings or near term liquidity events.

Pender Growth Fund is an investment vehicle with significant tax incentives for retail investors to participate in the recovery and growth of the British Columbia technology sector. The Fund has approximately \$13 million of assets under management.

For further information please visit www.penderfund.com or contact David Roberts at (604) 688-1511 or droberts@penderfund.com.

On behalf of the Board of Directors of
Pender Growth Fund (VCC) Inc

“David J. Roberts”

David J. Roberts, President & CEO

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