

AMENDMENT NO. 1 TO INFORMATION STATEMENT DATED MAY 17, 2007

This Amendment, together with the Information Statement of The Bank of Nova Scotia dated May 17, 2007 in respect of the Notes (the "Amended Information Statement"), has been prepared solely for the purpose of assisting prospective purchasers in making an investment decision with respect to the Notes. The Amended Information Statement is confidential and should not be reproduced or disseminated in whole or in part without the permission of The Bank of Nova Scotia. The Amended Information Statement constitutes an offering of these Notes only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Notes. No securities commission or similar authority in Canada has in any way passed upon the merits of the Notes offered under the Amended Information Statement and any representation to the contrary is an offence. The Notes offered under the Amended Information Statement have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any State securities laws and, subject to certain exceptions, may not be offered for sale, sold or delivered, directly or indirectly in the United States, its territories or possessions to or for the account or benefit of US persons within the meaning of Regulation S under the 1933 Act. In addition, the Notes may not be offered or sold to residents of any jurisdiction or country in Europe.

June 20, 2007



The Bank of Nova Scotia Arrow Multi-Strategy™ Fund Deposit Notes, Series 1

PRINCIPAL GUARANTEED

This Amendment amends the Information Statement dated May 17, 2007 (the "Information Statement") in respect of the Arrow Multi-Strategy™ Fund Deposit Notes, Series 1 (the "Notes") to be issued by The Bank of Nova Scotia. **The Information Statement must be read in conjunction with this Amendment.**

THE INFORMATION STATEMENT IS AMENDED BY DELETING ALL REFERENCES THEREIN TO THE "ISSUE DATE" OF THE NOTES AND THE CLOSING DATE OF THE OFFERING OF THE NOTES BEING, IN EACH CASE, JUNE 29, 2007, AND REPLACING EACH SUCH REFERENCE TO SUCH DATE WITH JULY 31, 2007.

A prospective investor should decide to invest in the Notes only after carefully considering with his or her advisor whether the Notes are a suitable investment in light of the information set out in the Amended Information Statement. Neither the Bank, Scotia Capital Inc. nor any of their respective affiliates makes any recommendation as to whether the Notes are a suitable investment for any person. See "Risk Factors".

PRICE: \$100 PER NOTE
Minimum Subscription: \$5,000 (50 Notes)
FundSERV Code: SSP 111

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