



*Scotia Capital,
Investor Products Group,
68th Floor – 40 King Street West,
Toronto, Ontario,
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Date: July 14, 2008

Re: SSP054 – BNS U.S. Dollar S&P500[®] Absolute Return Notes, Series 1 – Index Range Breached

This notice is to advise holders of The Bank of Nova Scotia U.S. Dollar S&P500[®] Absolute Return Notes, Series 1 (the “Notes”) that the Variable Return of the Notes is no longer linked to the S&P500[®] Index. The S&P500[®] Index closed at 1239.49 on Friday July 11th, which is outside the +/-15% Index Range of the Notes. The Index Range of the Notes equates to all Daily Closing Levels between 1241.10 and 1679.14. As a result investors will not receive any interest on their Notes and will only receive their \$100 of principal per note at the maturity date, December 22, 2008.

If you have any questions please contact your Investment Advisor or call 416-863-7891 or 1-866-416-7891.

Regards,
Investor Products Group, Scotia Capital
on behalf of The Bank of Nova Scotia.