

Media Release



Scotiabank Acquires Waterous & Co. to Create Full-Service Oil and Gas M&A Firm

Calgary, June 29, 2005 – Scotiabank and Waterous & Co., the leading global oil and gas acquisitions and divestitures firm, jointly announced today that Scotiabank has acquired Waterous for an undisclosed amount. The Scotia Capital division of Scotiabank will combine its existing oil and gas M&A capabilities with the global financial advisory business of Waterous to form a new entity to be known as Scotia Waterous.

Scotia Waterous will comprise all of the global oil and gas M&A activities of Scotia Capital, making Scotia Capital one of the first financial institutions to combine world-class, in-depth knowledge of the oil and gas sector, including a comprehensive technical understanding of oil and gas assets on a global basis, with a full-service financing and capital markets platform.

“The acquisition of Waterous & Co. is evidence of our strong commitment to growing Scotia Capital’s mergers and acquisitions franchise,” said David Wilson, CEO, Scotia Capital and Vice-Chairman, Scotiabank. “In addition, this move represents a significant new investment by Scotia Capital in one of our most important industry groups.”

Waterous’ unique oil and gas financial advisory platform has achieved a leadership position over the past 18 years. Scotia Capital’s acquisition of a global leader is an opportunity to reinforce relationships with oil and gas clients through high quality, global execution capabilities and financing, added Mr. Wilson.

“We completed this transaction because we believe that being one of the first firms to combine global, in-depth oil and gas M&A with full-service financing continues the Waterous & Co. tradition of leading industry innovation,” said Adam Waterous, Senior Managing Director and Principal, Waterous & Co.

Waterous’ regional strengths, deep industry knowledge and unique product offering will complement and support existing Scotia Capital oil and gas clients, Mr. Wilson said. Combining both firms’ expertise will provide seamless access to a broader line of financial services and products.

Jeffrey Waterous, Chairman of Waterous & Co., who founded the firm in 1987, will remain as Non-Executive Chairman of Scotia Waterous. Based in Gibraltar, he will continue developing the international practice of Scotia Waterous. "I am very pleased to present this strategic alignment of the leading global acquisitions and divestitures firm in the upstream oil and gas industry with Canada's leading international bank."

Scotia Capital represents the global corporate and investment banking platform of the Scotiabank Group, one of North America's premiere financial institutions. The Scotiabank Group has combined assets of \$309 billion and 48,000 employees worldwide, including affiliates, as at April 30, 2005. It is also Canada's most international bank, serving customers in some 50 countries around the world.

Waterous & Co. is the leading global oil and gas acquisitions and divestitures firm. Founded in 1987, the firm has 75 employees located in offices in Calgary, Houston, Denver, London, Singapore, and Gibraltar. Over the last three years, 24 of the 30 largest private sector oil and gas companies in the world have been clients of the firm. During that same time, the firm has successfully advised clients on a variety of transaction types, including both the acquisition and divestiture of oil and gas assets (both on- and off-shore), public and private companies and midstream assets. Transaction size has ranged from under US \$50 million to more than US \$2 billion. Since 2002, Waterous completed over US \$15 billion in oil and gas transactions.

Scotia Capital acted as exclusive financial advisor to Scotiabank in respect of this transaction.

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