



Scotia Capital,
Investor Products Group,
68th Floor – 40 King Street West,
Toronto, Ontario,
M5W2X6

Date: October 28, 2008

Re: SSP132 – The Bank of Nova Scotia – Beutel Goodman Equity Value Plus Deposit Notes (Return of Capital), Series 1 – Protection Event

This notice is to advise holders of The Bank of Nova Scotia – Beutel Goodman Equity Value Plus Deposit Notes (Return of Capital), Series 1 (the “Notes”) that the Variable Return of the Notes is no longer linked to the portfolio of Units notionally held in the Fund Account of the Notes. The NAV of the Notes minus the Floor declined to \$1.41 per Note at the close of business on October 24, 2008. In accordance with the terms of the Notes, this resulted in a Protection Event whereby the remaining notional assets in the Fund Account were liquidated and notionally invested in the 0.50% coupon Bond in the Bond Account, following payment of the Loan, any accrued and unpaid Loan interest and any Program Fees. Investors will not receive any further Quarterly Partial Principal Repayments on their Notes and will receive their \$99.30 of Principal Outstanding per Note and a Variable Return at the Maturity Date, which is November 16, 2015. The Variable Return consists of the amount by which NAV_{FINAL} exceeds the Original Principal Amount, \$1.28 per Note, and the Additional Amount. The Additional Amount cannot be calculated until the Maturity Date as it consists of the Undiscounted Fixed Amount discounted for a term of one year at the one year Banker’s Acceptance Rate prevailing at the Maturity Date; less the Principal Outstanding at the Maturity Date.

Original Principal Amount	\$100.00	
Quarterly Partial Principal Repayments	\$0.70	Paid to date
Principal Outstanding	\$99.30	Payable at the Maturity Date
Variable Return		
Capital Appreciation	\$1.28	Payable at the Maturity Date
Additional Amount	TBD	Payable at the Maturity Date

Capitalized terms used herein but not defined shall have the meanings given to such terms in the Information Statement dated March 5, 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.