



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

Date: October 29, 2008

Re: SSP121 – The Bank of Nova Scotia - diversiCAPITAL Focused Income & Growth Deposit Notes (Total Return), Series 1 – Protection Event

This notice is to advise holders of The Bank of Nova Scotia - diversiCAPITAL Focused Income & Growth Deposit Notes (Total Return), Series 1 (the “Notes”) that the Variable Return of the Notes is no longer linked to the portfolio of Shares notionally held in the Equity Account of the Notes. The NAV of the Notes declined to \$1.18 per Note at the close of business on October 27, 2008. In accordance with the terms of the Notes, this resulted in a Protection Event whereby the remaining notional assets in the Equity 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 receive their \$100 of Principal per Note and a Variable Return of \$1.31, for total proceeds of \$101.31 per Note at the Maturity Date, which is May 21, 2014.

Principal Amount	\$100.00	Payable at the Maturity Date
Variable Return	\$1.31	Payable at the Maturity Date

Capitalized terms used herein but not defined shall have the meanings given to such terms in the amended and restated Information Statement dated December 7, 2007.

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.