

Final Terms dated 7 April 2008

The Bank of Nova Scotia
Issue of JPY 10,000,000,000 3.37 per cent. Subordinated Callable Notes due 9 April 2038
under the U.S.\$25,000,000,000
Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

This document constitutes the Final Terms relating to the issue of Notes described herein.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Prospectus dated 18 January 2008 and the first supplementary Prospectus dated 5 March 2008 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “Prospectus Directive”). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Prospectus as so supplemented. The Prospectus and the first supplementary Prospectus are available for viewing during normal office hours at the office of Fiscal Agent, Registrar and Transfer Agent and copies may be obtained from the principal office of the Issuers. Copies may also be viewed on the website of the Regulatory News Service operated by the London Stock Exchange at www.londonstockexchange.com/en-gb/pricesnews/marketnews/ under the name of the relevant Issuer.

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| 1. | (i) | Issuer: | The Bank of Nova Scotia |
| 2. | (i) | Series Number: | 188 |
| 3. | | Specified Currency or Currencies: | Japanese Yen (“JPY”) |
| 4. | | Aggregate Principal Amount: | |
| | (i) | Series: | JPY 10,000,000,000 |
| | (ii) | Tranche: | JPY 10,000,000,000 |
| 5. | | Issue Price: | 100 per cent. of the Aggregate Principal Amount |
| 6. | (i) | Specified Denomination(s): | JPY 1,000,000,000 The Notes may not be subdivided or reissued in a smaller denomination. |
| | (ii) | Calculation Amount: | JPY 1,000,000,000 |
| 7. | (i) | Issue Date: | 9 April 2008 |
| | (ii) | Interest Commencement Date: | Issue Date |
| 8. | | Maturity Date: | 9 April 2038, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the Relevant Business Days are London, New York, Toronto and Tokyo |

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| 9. | Interest Basis: | 3.37 per cent. Fixed Rate (further particulars specified below) |
| 10. | Redemption/Payment Basis: | Redemption at par |
| 11. | Change of Interest or Redemption/Payment Basis: | Not Applicable |
| 12. | Put/Call Options: | Issuer's Option (further particulars specified below) |
| 13. | Status of the Notes: | Subordinated Notes Date Board approval for issuance of the Notes obtained: 6 December 2007 |
| 14. | Method of distribution: | Non-syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 15. | Fixed Rate Note Provisions: | Applicable |
| | (i) Interest Rate(s): | 3.37 per cent. per annum payable semi-annually in arrear |
| | (ii) Interest Payment Date(s): | 9 April and 9 October in each year, from and including 9 October 2008 to and including 9 April 2038, subject to adjustment for payment only in accordance with the Modified Following Business Day Convention for which the Relevant Business Days are London, New York, Toronto and Tokyo |
| | (iii) Fixed Coupon Amount(s): | JPY 16,850,000 per Calculation Amount |
| | (iv) Broken Amount(s): | Not Applicable |
| | (v) Day Count Fraction: | 30/360, unadjusted |
| | (vi) Determination Date(s): | Not Applicable |
| | (vii) Other terms relating to the method of calculating interest for Fixed Rate Notes: | Not Applicable |
| 16. | Floating Rate Note Provisions | Not Applicable |
| 17. | Zero Coupon/High Interest/Low Interest Note Provisions | Not Applicable |
| 18. | Index Linked Interest Note Provisions | Not Applicable |

PROVISIONS RELATING TO REDEMPTION

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| 19. | Call Option | Applicable, in respect of all, but not some only, of the Notes |
| | (i) Optional Redemption Date(s): | The Interest Payment Date falling on 9 April 2018, adjusted in accordance with the Modified Following Business Day |

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| | | Convention as set forth in item 15(ii) |
| (ii) | Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s): | JPY 1,000,000,000 per Calculation Amount |
| (iii) | If redeemable in part: | Not Applicable |
| | (a) Minimum Redemption Amount: | |
| | (b) Maximum Redemption Amount: | |
| (iv) | Issuer's Option Period: | 30 London, New York, Toronto and Tokyo Business Days notification prior to the Optional Redemption Date |
| 20. | Put Option | Not Applicable |
| 21. | Final Redemption Amount of each Note | JPY 1,000,000,000 per Calculation Amount |
| 22. | Early Redemption Amount | |
| (a) | Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): | JPY 1,000,000,000 per Calculation Amount |
| (b) | Redemption for Tax Reasons permitted on days other than Interest Payment Dates: | Yes |
| GENERAL PROVISIONS APPLICABLE TO THE NOTES | | |
| 23. | Form of Notes: | |
| (i) | Form: | Bearer Notes |
| | | Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note |
| (ii) | New Global Note: | No |
| 24. | Business Day Jurisdictions or other special provisions relating to Payment Dates: (Condition 6(h)) | London, New York, Toronto and Tokyo |
| 25. | Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): | No |
| 26. | Unmatured Coupons to become void on early redemption: | No |
| 27. | Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: | Not Applicable |

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| 28. | Details relating to Instalment Notes: Instalment Amount, Instalment Date: | Not Applicable |
| 29. | Redenomination: | Not Applicable |
| 30. | Other terms or special conditions: | Not Applicable |

DISTRIBUTION

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| 31. | (i) If syndicated, names of Managers: | Not Applicable |
| | (ii) Stabilising Manager (if any): | Not Applicable |
| 32. | If non-syndicated, name of Dealer: | Citigroup Global Markets Limited |
| 33. | Additional selling restrictions: | Not Applicable |
| 34. | TEFRA C or TEFRA D Rules or TEFRA rules not applicable: | D Rules apply |

PURPOSE OF THE FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on the London Stock Exchange's Regulated Market Notes described herein pursuant to the U.S.\$25,000,000,000 Euro Medium Term Note Programme of The Bank of Nova Scotia and Scotiabank Europe plc.

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By: _____
Duly authorised

PART B – OTHER INFORMATION

1. LISTING

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| (i) | Listing: | London |
| (ii) | Admission to trading: | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange plc's Regulated Market with effect from 9 April 2008 |
| (iii) | Estimate of total expenses related to admission to trading: | £4,200 |

2. RATINGS

Ratings: The Notes to be issued have been rated Moody's: Aa2

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save as discussed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. REASONS FOR THE OFFER ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

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| (i) | Reasons for the offer: | As set out under "Use of Proceeds" in the Prospectus. |
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5. YIELD

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| (i) | Indication of yield | 3.37 per cent per annum |
| | | The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield. |

6. OPERATIONAL INFORMATION

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| (i) | ISIN Code: | XS0353901209 |
| (ii) | Common Code: | 035390120 |
| (iii) | Private Placement Number: | 064149 N*4 |
| (iv) | Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): | None |
| (v) | Delivery: | Delivery against payment |
| (vi) | Names and addresses of additional Paying | None |

Agent(s) (if any):

- (vii) Intended to be held in a manner which would allow Eurosystem eligibility: No