



January 14, 2011

Province of Nova Scotia Extendible Step-Up Notes

TERMS OF OFFERING

Issue:	Extendible Step-Up Notes (the "Notes")
Issuer:	Province of Nova Scotia ("Nova Scotia")
Ratings:	DBRS: A S&P: A+ Moody's: Aa2
Principal Amount:	C\$100.00 per Note.
Issue Price:	C\$100.00 per Note. Minimum subscription of C\$5,000 and integral multiples thereof.
Issue Size:	\$15,000,000 plus Greenshoe
Greenshoe Amount:	Exercisable in increments of C\$1,000,000 until 4:00 p.m. (Toronto time) five Business Days after the Trade Date.
Trade Date:	January 14, 2011
Settlement Date:	February 9, 2011
Maturity Date:	The Initial Maturity Date, subject to extension by Nova Scotia to the Extended Maturity Date or the Final Maturity Date, as the case may be, pursuant to the section entitled "Extension Feature" below.
Initial Maturity Date:	February 9, 2013
Extended Maturity Dates:	Each 9 th day of February and August, following the Initial Maturity Date, commencing on August 9, 2013 and ending on August 9, 2017. If the 9 th day of February and August is not a Business Day, the Extended Maturity Date will be the next Business Day. A "Business Day" is a day on which the Main Branch of Canadian Imperial Bank of Commerce in Toronto and the CDS Clearing and Depository Services Inc. ("CDS") in Toronto are open for business.
Final Maturity Date:	February 9, 2018
Extension Feature:	Nova Scotia may, at its option, as of the Initial Maturity Date and the Extended Maturity Date thereafter on which the Notes are still outstanding, extend the term of the Notes, at the interest rate set out below in respect of the relevant Extension Period, to the Extended Maturity Date, or the Final Maturity Date if applicable, but in no event beyond the Final Maturity Date. Nova Scotia will give notice in writing to CDS Clearing and Depository Services Inc. ("CDS") of its intention to extend the term of the Notes at least 20 Business days prior to the Initial Maturity Date or relevant Extended Maturity Date. In the event Nova Scotia does not exercise its option to extend the term of the Notes, the Notes shall mature on the relevant Maturity Date at par, together with accrued and unpaid interest.
Non-Redeemable:	The Notes are not subject to redemption at the option of the holder.
Principal Amount Repayment:	The Principal Amount of C\$100.00 per Note will be repaid on the Initial Maturity Date, the Extended Maturity Date, or the Final Maturity Date, as the case may be.

CIBC World Markets Inc., a member of the Investment Dealers Association and the Canadian Investor Protection Fund, is a subsidiary of Canadian Imperial Bank of Commerce. The CIBC and World Markets trade-marks represent the credit and capital market businesses of Canadian Imperial Bank of Commerce and CIBC World Markets Inc. Before entering into the transaction outlined above, clients should independently evaluate the financial, market, legal, regulatory, credit, tax and accounting risks and consequences involved. Note that, if the transaction described above is one which includes leverage, embedded options or embedded forwards, the exchange of currencies or some other structural element, the value of the transaction and your exposure could change more quickly, more frequently or by a greater magnitude (or all three) relative to other transactions or cash market instruments.

Coupon: Nova Scotia will pay a Coupon semi-annually on each Coupon Payment Date calculated on the basis of a year of 360 days with 180 day semi-annual calculation periods (equal payments) at the rate per annum for the applicable period set out in the table below.

Term	Period	Coupon
1	February 9, 2011 to but excluding February 9, 2012	2.75%
2	February 9, 2012 to but excluding February 9, 2013	2.75%
3	February 9, 2013 to but excluding February 9, 2014	2.85%
4	February 9, 2014 to but excluding February 9, 2015	3.25%
5	February 9, 2015 to but excluding February 9, 2016	3.75%
6	February 9, 2016 to but excluding February 9, 2017	4.25%
7	February 9, 2017 to but excluding February 9, 2018	6.00%

Yield to Investor:

Term	Note Yield (S.A)	Canada Yield (S.A.)	Spread
1	2.75%	1.38%	1.37%
2	2.75%	1.77%	0.98%
3	2.78%	1.90%	0.88%
4	2.89%	2.30%	0.59%
5	3.06%	2.53%	0.53%
6	3.24%	2.63%	0.61%
7	3.59%	2.81%	0.78%

To the Initial Maturity Date: **2.75%** semi-annual compounding, or approximately **98 basis points** over the 1.5% Government of Canada Bond maturing December 1, 2012.

To the Final Maturity Date (if extended): **3.59%** semi-annual compounding, or approximately **78 basis points** over the 4.00% Government of Canada Bond maturing June 1, 2017.

Coupon Payment Dates: Coupon payments will be made by Nova Scotia semi-annually on each 9th day of February and August that the Notes are outstanding, commencing on August 9, 2011 and ending on the Maturity Date. If the Coupon Payment Date is not a Business Day, interest will be paid on the next Business Day, without adjustment for period end dates and no further interest or other payment will be made in respect of such delay.

Secondary Market: CIBC World Markets Inc. will maintain a secondary market for the Notes, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to investors. The secondary market price of the Notes will be dependent on a number of factors, in particular prevailing interest rates, the Extension Feature and interest rate volatility. See "Risk Factors" below. An investor who sells a Note to CIBC World Markets Inc. prior to the Maturity Date may receive sale proceeds that are less than the Principal Amount.

Book Entry Only System: The Notes will be evidenced by a single global deposit note registered in the name of CDS or its nominee. Registration of interests in and transfers of the Notes will be made only through the Book Entry Only (BEO) registration and transfer system of CDS. The Notes must be purchased either directly or indirectly through a participant in the CDS BEO system. No holder will be entitled to any certificate or other instrument from Nova Scotia or CDS evidencing the ownership thereof, and no holder will be shown on the records maintained by CDS except through an agent who is a participant of CDS.

Status: The Note ranks pari-passu with other notes issued under the Issuer's Medium Term Note Program.

Tax Considerations: An investor should consider the income tax consequences of an investment in the Notes, including those arising from a disposition of the Notes prior to the Maturity Date.

Underwriter: CIBC World Markets Inc.

Paying & Transfer Agent: CIBC

Selling Restriction: These Terms of Offering do not constitute an offer or invitation by anyone in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or invitation. The distribution of these Terms of Offering and the offering or sale of the Notes in some jurisdictions may be restricted by law. Persons into whose possession these Terms of Offering come are required by Nova Scotia and CIBC World Markets Inc. to inform themselves about and to observe any such restrictions. These Terms of Offerings constitute an offering of the Notes only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale, and then only through persons duly qualified to effect such sales.

The Notes have not been and will not be registered under the United States *Securities Act of 1933*, as amended, and may not be offered or sold within the United States or to U.S. persons.

RISK FACTORS

An investment in the Notes is subject to certain risk factors that prospective investors should consider before purchasing the Notes. A prospective investor is urged to consult the investor's own legal, accounting and tax advisers in order to determine the consequences of an investment in the Notes and to make an independent evaluation of such investment. Specific risk factors include, but are not limited to:

Non-Conventional Investment

The Notes have certain investment characteristics that differ from conventional fixed income products. Specifically, the performance of the Notes will not track the same price movements as traditional interest rate products. A person should reach a decision to invest in the Notes after carefully considering, with his or her advisors, the suitability of the Notes in light of his or her investment objectives and the information set out in this Term Sheet. No recommendation is being made by Nova Scotia as to the suitability of the Notes for investment.

Extension Feature:

The Extension Feature of the Notes is unique. As a result of the Extension Feature of the Notes, the price movement of the Notes could be quite different from notes, bonds, and similar debt instruments with the same credit risk and term to maturity. For example, if prevailing interest rates fall, the price of the Notes may be limited to the present value of the Principal Amount plus the Coupon payable on the next Coupon Payment Date. Investors are compensated for the uncertainty caused by the Extension Feature of the Note by receiving a higher yield compared to other debt instruments with a similar credit risk and term to maturity.

The Maturity Date of the Notes is uncertain. Nova Scotia may decide not to extend the term of the Notes on the Initial Maturity Date or any Extended Maturity Date thereafter. Nova Scotia is less likely to exercise its right to extend the Maturity Date of the Notes during periods of relatively low interest rates, or otherwise where it determines that its borrowing cost under the Notes is, or might be, higher than from other available sources. The decision to extend (or not to extend) the Maturity Date of the Notes will be made solely by Nova Scotia and may occur at a point in time that is not advantageous to investors. If the Maturity Date is not extended by Nova Scotia, investors will not benefit from the higher Coupons that would have been payable in subsequent periods if the Maturity Date had been extended.

Secondary Market:

CIBC World Markets Inc. will maintain a secondary market for the Notes, but reserves the right not to do so in the future in its sole discretion, without providing prior notice to investors. The secondary market price of the Notes will be dependent on a number of factors, in particular prevailing interest rates, the Extension Feature and interest rate volatility. An investor who sells a Note to CIBC World Markets Inc. prior to the Maturity Date may receive sale proceeds that are less than the Principal Amount.

