



"People here can give \$100 for a gift certificate and relatives there can go to the store and choose whatever they want. It's a very new kind of concept," said Curniski.

Sobrama in Saskatoon currently accepts orders, as does Tomkins Travel in Edmonton, one of Sobrama's agents and shareholders. Curniski says she's also looking for agents in Toronto, Winnipeg and possibly Vancouver.

There are three components to the store - the retail area, wholesale department and packaging unit. Together they take up about 11,000 square feet of space.

Curniski says she hopes to put in a selection of clothing into the store in the near future. Much of this may be imported from Canada because there is a great demand for Canadian goods in Ukraine. "When people walk into the store, they almost feel they're on Canadian soil," said Curniski.

## SALES BOOMING FOR CANADIAN IMPORTERS OF LVIV'S PERLOVA VODKA

Nov 8-21, 1995... Sales are booming for the Canadian importers of vodka distilled and bottled in Lviv. "Just fantastic," said Motria Goshulak, president of Moka International Ltd. "They were up 25 percent in the last quarter of 1995."

Toronto-based Moka International is the North American agent for Perlova Vodka which is produced by the Lviv State Distillery.

Starting out in Ontario, Moka has expanded to other provinces and now sells the vodka in Alberta, Manitoba and Saskatchewan. Goshulak says she expects the product to be available in 18 U.S. states by June, 1996 and in 35 states after that.

Moka currently ships 38,000 litres of Perlova Vodka monthly.

Goshulak says the principal foreign customer for the Lviv State Distillery is still Russia, but Moka hopes that by expanding into North America, the plant will diversify its market and not be dependent upon one client.

Although distilleries in Ukraine are still run by the government, Goshulak says Moka will have the option of investing in a joint venture with a Ukrainian distillery once they are opened for privatization. She attributes Perlova Vodka's quick acceptance in North America to the source of its water - a natural spring somewhere in Lviv oblast, whose exact location the company will not disclose.

"The reason that Perlova is such a good vodka is the water, and you just don't get that kind of water here," says Goshulak.



## CANADIAN COMPANIES TO BUILD \$33 MILLION HOTEL IN YALTA

Two Canadian companies have signed an agreement to open a multi-million dollar 300-room resort hotel in the Yalta resort area of Crimea. Edmonton's Hemisphere Engineering

Inc. and Winnipeg's Smith and Carter who together form Canadian Tavrda Construction, will be involved in the reconstruction of and addition to the Hotel Tavrda - once the finest hotel in Crimea.

Under the agreement, Canadian Tavrda Construction enters into a partnership with the Autonomous Republic of Crimea, the City of Yalta and the joint stock company Yaltastrioexpo to create the Canadian-Ukrainian joint venture Hotel Tavrda.

The agreement was signed Oct. 17 at the Lavdia Palace in Yalta - at the same table where, in 1945, U.S. President Franklin D. Roosevelt, British Prime Minister Sir Winston Churchill and Soviet dictator Joseph Stalin divided up Europe into spheres of influence near the end of World War II.

According to John Chomiak, president of Hemisphere Engineering, this was the first time that table was used since that fateful conference 50 years ago.

A statutory fund of US\$13.2 million will be set up for the Hotel Tavrda of which \$6.6 million each is to be contributed by Canadian Tavrda construction and its Ukrainian partners. The total cost of the project, including cost of the land, is estimated at US\$33 million - part of which is to be provided by the European Bank of Reconstruction and Development.

"We feel very positive," Chomiak said. "I expect to get the letter of mandate from the EBRD (European Bank for Reconstruction and Development) to start design work and construction."

Chomiak said plans call for the refurbishing of the old section of the hotel (which is currently boarded up) and the construction of a totally new section. When completed in 1998, the hotel will have 300 rooms.

"This building is going to be the catalyst for changing the whole economy of the Yalta region," said Chomiak, who described Crimea as "a virgin place for tourism" with a climate similar to that of Mediterranean countries. Chomiak said the hotel is expected to draw tourists primarily from the Western European market.

## SECOND OIL JV BEGINS OPERATIONS

*United Kyiv Resources redeveloping Bytkiv field in Ivano Frankivsk*

A second Canadian oil and gas company has begun field operations in Ukraine. Calgary-based United Kyiv Resources Inc. announced Jan.16 that its Ukrainian joint venture company, Ukrkarpatoil Ltd., has started work in the Bytkiv-Babchynske oil field, located in Ivano-Frankivsk oblast.

Ukrkarpatoil Ltd. is 45% owned by Carpatsky Petroleum Corporation, a wholly owned subsidiary of United Kyiv, and, 55% by the joint stock company, UkrNafta, the Ukrainian state oil producing company.

Field Operations will begin with a well-by-well work-over program which will include cased hole logging, well-testing, re-perforations, well stimulation and drilling sidetrack (twinned) and infill wells. Ukrkarpatoil expects that after the third year of the project, a new gathering and water injection system will be installed and infill and injection well drilling will start depending upon accumulated results, technical studies and new economical evaluations at that time.

In preparation for further financings, United Kyiv arranged a series of meetings in London in January and New York in February with the objectives of introducing the investment community to the company and its Ukrainian projects, the joint stock company UkrNafta, and the general political, economic, tax and legal environment of Ukraine.

Ukrkarpatoil is the second Canadian-Ukrainian joint venture to start operations in Ukraine. KrymTexasNafta, owned 60 percent by Vancouver's Epic Energy and 40 percent by KrymGeologia, has been extracting oil in the Crimean peninsula for one year.



Artist's conception of future resort hotel in Yalta on the exotic Crimean Peninsula.