

Blacklisted Billionaire Timchenko's Stroitransgaz to Win \$4.8Bln South Stream Pipeline Deal

By [The Moscow Times](#)

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MOSCOW/SOFIA — A consortium led by Russia's Stroitransgaz, owned by sanctions-hit businessman Gennady Timchenko, is set to win a 3.5 billion euro (\$4.82 billion) deal to build a section of the South Stream natural gas pipeline across Bulgaria, industry sources said Friday.

Expected to start deliveries in late 2015, South Stream will carry Russian gas across the Black Sea and bypass Ukraine with which there have been gas rows in the past that have disrupted supply to the European Union.

Timchenko owns 63 percent in Stroitransgaz Group via his Volga Group. On Thursday he was included in a list of Russian officials and businessmen targeted by U.S. sanctions over Ukraine.

"The Stroitransgaz-led consortium has been picked to build the Bulgarian part of the

pipeline," a source familiar with the deal in Bulgaria said.

Some 11 companies bid for the work, Bulgarian Energy Holding, or BEH, has said, without naming the bidders.

The fate of South Stream was questioned on Thursday by the chief executive of Italian energy company Eni, a stakeholder in the project. He called its future "gloomy" due to Russia's actions in Ukraine.

The 2,400-kilometer pipeline, led by Russia's Gazprom, is expected to be fully operational by 2018 at an estimated cost of about 17 billion euros (\$23.4 billion).

BEH, Stroitransgaz, Gazprom and the South Stream venture in Bulgaria declined immediate comment.

Along with Gazprom and Eni, the project's other shareholders are France's EDF and Germany's Wintershall.

Sources had previously said that the announcement of the contract award to a Stroitransgaz-led consortium was expected Friday by Gazprom and BEH. But a source in Gazprom said that it was postponed until next week.

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