January 31, 2002

STAR GAS REPORTS FISCAL 2002 FIRST QUARTER RESULTS

STAMFORD, CT (January 31, 2002) -- Star Gas Partners, L.P. (NYSE: SGU, SGH), a diversified home energy distributor and services provider specializing in heating oil, propane, natural gas and electricity, today reported results for the fiscal 2002 first quarter, ended December 31, 2001. For the three months ended December 31, 2001, Star's EBITDA was $31.3 million, compared to $36.3 million in the year-ago period. This 13.8% reduction was the result of abnormally warm weather during this past quarter, with temperatures approximately 30% above prior year levels in Star's markets. The EBITDA decline was significantly less than the impact of weather due to $6.2 million of weather insurance and Star's successful cost control program, which reduced base company operating expenses by approximately $7.5 million. Also offsetting the abnormal weather conditions was the positive contribution from the 26 acquisitions made since October 1, 2000 and an approximate 3.2 cents per gallon gross profit margin increase.

Diluted net income per limited partner unit was $.42 per unit in the fiscal 2002 first quarter, compared to $.86 per unit in the prior year, as the Partnership's depreciation, amortization and interest expenses did not decline commensurately with the weather-related EBITDA reduction.

During the first quarter of fiscal 2002, Star purchased four propane and heating oil companies for an aggregate purchase price of $23.5 million. These acquisitions represent approximately 13,000 additional customers.

In commenting on Star's performance, Chairman Irik P. Sevin, indicated: "While the abnormally warm temperatures experienced in the first quarter were obviously very disappointing, Star succeeded in limiting the impact of these conditions. Despite the unusual weather, EBITDA declined only approximately 14% due to three factors: Star's base company operating focus enabled us to significantly reduce expenses and improve gross profit margins; our disciplined acquisition strategy resulted in positive financial contributions from our recently acquired companies; and, our strategic purchase of weather insurance helped stabilize earnings and cash flow. Based on our past success in helping mitigate the impact of abnormal weather conditions, Star recently purchased $2 million of additional weather insurance coverage for fiscal 2002."

Mr. Sevin, continued, "In January 2002, the Partnership successfully completed a $34.7 million public equity offering. This underwriting helped Star maintain a balanced capital structure while providing it with the funds and flexibility to pursue three ongoing growth initiatives: first, to utilize Star's unique size in the home heating oil industry to access technological developments allowing us to operate even more effectively, and in regard to this endeavor, the Partnership is presently considering a number of organizational, operating and management realignments; second, to continue to profitably, and in a disciplined fashion, acquire home heating oil and propane distributorships; and lastly, to further expand upon our service-based relationships with over 850,000 customers by marketing additional rationally related products."

Star Gas Partners, L.P., is a leading distributor of home heating oil, propane and deregulated natural gas and electricity. Star is the nation's largest retail distributor of home heating oil and the nation's eighth largest retail propane distributor. Star owns a 80.0% controlling interest in Total Gas & Electric, which sells natural gas and electricity in the Northeast and Mid-Atlantic.

This news announcement contains certain forward-looking information that is subject to certain risks and uncertainties as indicated from time to time in the Partnership's 10-K, 10-Q, 8-K and other filings with the Securities and Exchange Commission. Included risks and uncertainties are the effects of the weather on the Partnership's financial results, competitive and propane and heating oil pricing pressures and other factors impacting the propane, home heating oil, natural gas and electricity distribution industries.

STAR GAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)
(unaudited)

	Three Months Ended December 31, 2001	Three Months Ended December 31, 2000
Sales	$ 286,223	$ 323,504
Costs and expenses:		
Cost of sales	184,247	231,302
Operating expenses	64,525	56,227
Depreciation and amortization	14,503	9,647
TG & E customer acquisition expense	221	653
Unit compensation expense	640	500
Net gain on sales of fixed assets	19	11
Operating income	22,106	25,186
Interest expense, net	10,144	8,117
Amortization of debt issuance costs	312	145
Income before income taxes and cumulative effect of change in accounting principle	11,650	16,924
Income tax expense	147	716
Cumulative change in accounting principle for adoption of SFAS #133, net of income taxes	-	1,466
Net income	$ 11,503	$ 17,674
General Partners' interest in net income	$ 138	$ 283
Limited Partners' interest in net income	$ 11,365	$ 17,391
Basic net income per limited partner unit	$ 0.42	$ 0.87
Diluted net income per limited partner unit	$ 0.42	$ 0.86
Weighted average number of limited partner units outstanding:		
Basic	26,760	20,073
Diluted	26,988	20,186
Supplementary Data:		
Retail propane gallons sold	39,689	44,164
Home heating oil gallons sold	131,059	130,759
Distributable Cash Flow:		
EBITDA (a)	$ 31,260 (b)	$ 36,280 (b)
Less: Interest expense, net	(10,144)	(8,117)
Maintenance capital expenditures	(1,285) (c)	(680)
Income taxes	(147)	(716)
Distributable Cash Flow	$ 19,684	$ 26,767

(a) EBITDA is defined as operating income (loss) plus depreciation and amortization, TG & E customer acquisition expense and unit compensation expense, less net gain (loss) on sales of fixed assets and before the impact of SFAS No. 133. EBITDA should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations), but provides additional information for evaluating the Partnership's ability to make the Minimum Quarterly Distribution.

(b) For the three months ended December 31, 2001, the impact of SFAS No. 133 reduced cost of sales by $6.2 million. For the three months ended December 31, 2001, the impact of SFAS No. 133 increased cost of sales by $0.3 million.

(c) For the three months ended December 31, 2001, maintenance capital expenditures includes $0.1 million of TG&E direct marketing expense.

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