



January 25, 2001

## **STAR GAS PARTNERS PRICES OFFERING OF 1.9 MILLION COMMON UNITS AT \$17.4375 PER UNIT**

STAMFORD, CT (January 25, 2001) -- Star Gas Partners, L.P. (the "Partnership") (NYSE: SGU, SGH), a diversified energy distributor and services provider - specializing in heating oil, propane, electricity and natural gas, announced today that it has sold 1.9 million Common Units of limited partner interests in a publicly underwritten offering managed by A.G. Edwards & Sons, Inc., UBS Warburg and CIBC World Markets. The offering price was \$17.4375 per unit.

A portion of the net proceeds will be used to repay \$12.1 million of the amount outstanding under the heating oil operations' revolving acquisition line of credit. The balance of the net proceeds will be used to fund acquisitions, including a propane acquisition announced on January 19, and for growth capital expenditures. Pending such uses, these funds will be used to finance seasonal working capital requirements and for general partnership purposes.

Copies of the final prospectus relating to this offering may be obtained from the offices of A.G. Edwards & Sons, Inc., One North Jefferson Avenue, St. Louis, MO 63103, UBS Warburg, 1285 Avenue of the Americas, New York, NY 10019, or from the offices of CIBC World Markets, One World Financial Center, New York, NY 10281.

Star Gas Partners, L.P., is a leading distributor of home heating oil, propane and deregulated natural gas and electricity serving approximately 705,000 customers. Through its wholly owned Petro subsidiary, Star is the nation's largest retail distributor of home heating oil, serving approximately 385,000 customers in the Northeast and Mid-Atlantic. Star is the nation's seventh largest retail propane distributor, serving approximately 210,000 customers throughout the Midwest and Northeast. Star owns a controlling 72.7% interest in Total Gas and Electric, which sells natural gas and electricity to approximately 110,000 customers in the Northeast and Mid Atlantic.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state.

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