



April 25, 2006

## **Star Gas Extends Expiration Time for Tender and Exchange Offer**

STAMFORD, CT (April 25, 2006) – Star Gas Partners, L.P. (the "Partnership" or "Star") (NYSE: SGU, SGH), a home energy distributor and services provider specializing in heating oil, announced today that it has extended the expiration time (the "Expiration Time") for the tender and exchange offer and consent solicitation (the "Tender Offer") being made to Star's holders of 10.25% Senior Notes due 2013 ("Senior Noteholders") from 12:00 midnight, Eastern time (ET), on April 25, 2006 until 12:00 noon, Eastern time (ET), on April 27, 2006.

The Tender Offer, which was commenced on March 28, 2006, provides Senior Noteholders the ability to tender their existing notes for a pro rata portion of \$73,132,075 in cash (which amount will be reduced by the amount of cash required to make any change of control payments to holders of notes that do not tender into the Tender Offer), at the Senior Noteholders option a pro rata percentage of 13,433,962 Common Units at a price of \$2.00 per unit, and new 10.25% Series B Senior Notes due 2013.

As previously announced on April 6, 2006, Star's unitholders approved, at a special meeting of unitholders held April 6, 2006, the Amended Kestrel Unit Purchase Agreement, which provides for an equity investment by Kestrel Energy Partners, LLC and its affiliates of \$16.875 million – 6,750,000 common units at a price of \$2.50 per common unit. The Amended Kestrel Unit Purchase Agreement also provides for a rights offering of at least \$39.375 million to Star's common unitholders – 19,687,500 common units at a price of \$2.00 per common unit, subject to a backstop agreement by Kestrel at a price of \$2.25 per common unit.

The Tender Offer is conditioned upon, among other things, the consummation of the transactions contemplated by the Amended Kestrel Unit Purchase Agreement and the holders of at least 93% of the aggregate principal amount of outstanding existing notes tendering in accordance with the terms of the Tender Offer prior to the expiration time.

Certain Senior Noteholders have entered into lockup agreements (the "Lockup Agreements") with Star. Pursuant to the Lockup Agreements, such Senior Noteholders have agreed to tender into the Tender Offer, and have either (i) agreed to elect to receive Common Units, (ii) retained the option to elect to receive Common Units, or (iii) agreed to not elect to receive Common Units. Additionally, certain Senior Noteholders have agreed to backstop the Common Unit option to ensure that all 13,433,962 Common Units are exchanged pursuant to the Tender Offer.

### **Forward Looking Information**

This news release includes "forward-looking statements" which represent the Partnership's expectations or beliefs concerning future events that involve risks and uncertainties, including those associated with the approval of the recapitalization; the effect of weather conditions on our financial performance; anticipated proceeds from weather insurance; the price and supply of home heating oil; the consumption patterns of our customers; our ability to obtain satisfactory gross profit margins; our ability to obtain new customers and retain existing customers; our ability to effect strategic acquisitions or redeploy underperforming assets; the ultimate disposition of excess proceeds from the sale of the propane segment should the recapitalization not be consummated; the impact of litigation; the ongoing impact of the business process redesign project at the heating oil segment and our ability to address issues related to that project; natural gas conversions; future union relations and the outcome of current and future union negotiations; the impact of current and future environmental, health and safety regulations; customer creditworthiness; and marketing plans. All statements other than statements of historical facts included in this news release are forward-looking statements. Although the Partnership believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from the Partnership's expectations ("Cautionary Statements") are disclosed in this news release and in the Partnership's Annual Report on Form 10-K for the year ended September 30, 2005 and its Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 2005, including without limitation and in conjunction with the forward-looking statements included in this news release. All subsequent written and oral forward-looking statements attributable to the Partnership or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements. Unless otherwise required by law, the Partnership undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this news release.

### **About Star Gas Partners**

Star Gas Partners, L.P. is the nation's largest retail distributor of home heating oil. Additional information is available by obtaining the Partnership's SEC filings and by visiting Star's website at [www.star-gas.com](http://www.star-gas.com).

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