

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

SCHEDULE 13E-3

RULE 13E-3 TRANSACTION STATEMENT

(Pursuant to Section 13(e) of the Securities Exchange Act of 1934 and
Rule 13e-3 ((S)240.13e-3) thereunder)

Petroleum Heat and Power Co., Inc.
(Name of Issuer)

Petroleum Heat and Power Co., Inc.
Star Gas Partners, L.P.
Star Gas Corporation
(Name(s) of Person(s) Filing Statement)

Class A Common Stock, par value \$.10 per share
(Title of Class of Securities)

716600 309
(Cusip Number of Class of Securities)

Joseph P. Cavanaugh President Star Gas Corporation 2187 Atlantic Street P.O. Box 120011 Stamford, Connecticut 06912-0011	Irik P. Sevin Chairman of the Board and Chief Executive Officer Petroleum Heat and Power Co., Inc. 2187 Atlantic Street Stamford, Connecticut 06902
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(Name, Address and Telephone Number of Persons Authorized
to Receive Notices and Communications on Behalf of Person(s)
Filing Statement)

With Copies To:

Michael Rosenwasser, Esq. Andrews & Kurth, L.L.P. 805 Third Avenue New York, NY 10022 (212) 850-2800	Alan Shapiro, Esq. Phillips Nizer Benjamin Krim & Ballon LLP 666 Fifth Avenue New York, NY 10103-0084 (212) 977-9700	R. Joel Swanson, Esq. Baker & Botts, L.L.P. One Shell Plaza 910 Louisiana Houston, TX 77002-4995 (713) 229-1300
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This statement is filed in connection with (check the appropriate box):

- a. The filing of solicitation materials or an information statement
subject to Regulation 14A, Regulation 14C or Rule 13e-3(c) under the
Securities Exchange Act of 1934.
- b. The filing of a registration statement under the Securities Act of
1933.
- c. A tender offer.
- d. None of the above.

Check the following box if the soliciting materials or information
statement referred to in checking box (a) are preliminary copies:

Calculation of Filing Fee

Transaction Valuation*	Amount of Filing Fee
\$26,148,106.30	\$5,230

* Calculated by multiplying \$0.9844, by 26,562,481, the sum of the number of shares of Common Stock to be converted in the Transaction.

[x] Check box if any part of the fee is offset as provided by Rule 0-11(a) (2) and identify the filing with which the offsetting fee was previously paid. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

Amount Previously Paid: \$9,825
 Form or Registration No.: Registration Statement on Form S-4
 Filing Party: Star Gas Partners, L.P.
 Date Filed: October 22, 1998

INTRODUCTION

This Rule 13e-3 Transaction Statement on Schedule 13E-3 (the "Schedule 13E-3") is being filed by (1) Petroleum Heat and Power Co., Inc, a Minnesota corporation (the "Issuer"); (2) Star Gas Partners, L.P., a Delaware limited partnership and an indirect subsidiary of the Issuer (the "Partnership"); and (3) Star Gas Corporation, a Delaware corporation and a wholly-owned subsidiary of the Issuer ("Star Gas") and the general partner of the Partnership, pursuant to Section 13(e) of the Securities Exchange Act of 1934, as amended, and Rule 13e-3 thereunder, in connection with a transaction (the "Transaction") consisting of (a) the merger of a wholly-owned indirect subsidiary of the Partnership ("Mergeco"), with and into the Issuer (the "Merger"), with the Issuer surviving the Merger as an indirect wholly-owned subsidiary of the Partnership, and the conversion of each outstanding share of Class A and Class C common stock, par value \$.10 per share of the Issuer, (the "Common Stock"), into senior subordinated units of limited partner interest ("Senior Subordinated Units") of the Partnership, upon the terms and subject to the conditions set forth in a certain Agreement and Plan of Merger dated as of October 22, 1998 (the "Merger Agreement") among the Issuer, the Partnership and Mergeco, et al., a copy of which is filed as Exhibit (c)(1) hereto; and (b) the exchange (the "Exchange") (1) by certain holders of shares of Common Stock of the Issuer that are affiliates of the Issuer (the "LLC Owners") with (A) Star Gas LLC, a Delaware limited liability company, of a portion of the Common Stock (the "LLC Shares") held by the LLC Owners for 100% of the limited liability company interests in Star Gas LLC (which in turn will exchange the LLC Shares with the Partnership for General Partner Units) and (B) with the Partnership, of their remaining shares of Common Stock held by the LLC Owners, for junior subordinated units of limited partner interest ("Junior Subordinated Units") of the Partnership, and (2) by certain other holders of Common Stock, that are affiliates of the Issuer with the Partnership, of their Common Stock for Senior Subordinated Units, upon the terms and subject to the conditions set forth in a certain exchange agreement dated October 22, 1998 (the "Exchange Agreement") among the Issuer, the Partnership, the LLC Owners and the other affiliated holders of Common Stock referred to above, a copy of which is filed as Exhibit (c) (2) hereto.

The following Cross Reference Sheet, prepared pursuant to General Instruction F to Schedule 13E-3, shows the location in the joint proxy statement and prospectus of the Partnership (the "Proxy Statement"), included in the registration statement on Form S-4 (the "S-4") filed by the Partnership with the Securities and Exchange Commission on the date hereof, of the information required to be included in this Schedule 13E-3. The information set forth in the S-4, including all exhibits thereto and the Annual Report on Form 10-K of the Issuer for its fiscal year ended December 31, 1997 (the "Petro 10-K"), the Proxy Statement of the Issuer for its 1998 annual meeting of shareholders (the "Petro Annual Meeting Proxy Statement") and the Annual Report on Form 10-K of the Partnership for its fiscal year ended September 30, 1997 (the "Partnership 10-K") are hereby expressly incorporated herein by reference as set forth in the Cross Reference Sheet and the responses in this Schedule 13E-3, and such responses are qualified in their entirety by reference to the information contained in the Proxy Statement, the annexes thereto, the Petro 10-K, the Petro Annual Meeting Proxy Statement and the Partnership 10-K which are incorporated

by reference in and/or accompany the Proxy Statement.

The information contained in this Schedule 13E-3 concerning the Issuer, including, without limitation, the information concerning the background of the Transaction, the deliberations of the Issuer's Board of Directors in connection with the Transaction, the opinion

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of the Issuer's financial advisor and the Issuer's capital structure and historical financial statements of the Issuer, was supplied by the Issuer. The Partnership and Star Gas take no responsibility for the accuracy or completeness of such information.

The information contained in this Schedule 13E-3 concerning the Partnership, including, without limitation, the information concerning the background of the Transaction, the opinion of the financial advisor to the special committee (the "Special Committee") of the board of directors of Star Gas, the Partnership's capital structure and historical financial statements of the Partnership, was supplied by Star Gas, on behalf of the Partnership. Petro takes no responsibility for the accuracy or completeness of such information.

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CROSS REFERENCE SHEET

Item in Schedule 13E-3 - -----	Where Located in Proxy Statement -----
Item 1(a).....	Cover Page, "Proxy Statement Summary - Parties - Petro" and "Parties to the Transaction - Petro"
Item 1(b).....	"Proxy Statement Summary - Votes Required; Record Date - Petro" and "The Special Meeting -Petro Record Date," "The Special Meeting -Voting Rights; Votes Required" and "The Special Meeting - Petro Preferred Stock"
Items 1(c) and (d).....	"Proxy Statement Summary - Comparative Market Price Information" and "Comparative Security Price and Distribution Information -Petro Capital Stock - Class A Common Stock"
Item 1(e).....	*
Item 1(f).....	*
Items 2(a) - (d) and (g).....	Cover Page, "Proxy Statement Summary -Parties," "Parties to the Transaction - Petro," "Management of the Partnership After the Transaction - Officers and Employees of the Operating Partnership and Petro - Petro," "Beneficial Ownership of Principal Unitholders and Management" and "Incorporation of Certain Documents by Reference"
Items 2(e) and (f).....	*
Item 3(a).....	"Proxy Statement Summary - The Merger and the Exchange" and "Proxy Statement Summary -Partnership Structure and Management Following the Transaction," "The Transaction - Background of and Reasons for the Transaction - Background of the

Transaction," "Management of the Partnership After the Transaction -Reimbursement of Expenses of the General Partner" and "Incorporation of Certain Documents by Reference"

Item 3(b) "Proxy Statement Summary - The Transaction," "The Transaction - Description of the

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Transaction" and "The Transaction - Background of and Reasons for the Transaction"

Item 4(a) and (b) Cover Page, "Proxy Statement Summary - The Transaction," "Proxy Statement Summary - The Merger and the Exchange," "The Transaction -Description of the Transaction," "The Transaction - Description of the Merger and the Exchange" and "The Transaction - Certain Provisions of the Merger and Merger Agreement"

Items 5(a) - (g) "Proxy Statement Summary - The Transaction," "Proxy Statement Summary - The Merger and the Exchange," "The Transaction - Description of the Transaction," "The Transaction - Description of the Merger and the Exchange" and "The Transaction - Certain Provisions of the Merger and the Merger Agreement"

Item 6(a) "Proxy Statement Summary - The Transaction," "Proxy Statement Summary - Related Financing and Refinancing Transactions" and "The Transaction - Related Financing and Refinancing Transactions"

Item 6(b) "Proxy Statement Summary - Estimated Sources and Uses of Funds," "The Unitholders Meeting -Cost of Solicitation of Proxies," "The Special Meeting - Cost of Solicitation of Proxies," "The Transaction - Opinion of A.G. Edwards - Terms of A.G. Edwards' Engagement," "The Transaction - Opinion of Dain Rauscher Wessels -Dain Rauscher Wessels' Engagement Agreement" and "The Transaction - Certain Provisions of the Merger and Merger Agreement - Expenses"

Item 6(c) "Proxy Statement Summary - Related Financing and Refinancing Transactions" and "The Transaction - Related Financing and Refinancing Transactions"

Item 6(d) *

Item 7(a) "Proxy Statement Summary - Advantages to the Petro Common Stockholders," "Proxy Statement Summary - Recommendations of Petro Board and Opinion of Dain Rauscher Wessels," "Proxy Statement Summary - Interests of Certain Persons

in the Transaction; Conflicts of Interest - Petro," "Proxy Statement Summary - Cash Available for Distribution," "Proxy Statement Summary -Description of the Partnership Units," "The Transaction - Background of and Reasons for the Transaction - Background of the Transaction" and "The Transaction - Background of and Reasons for the Transaction - Reasons for the Transaction; Recommendation of the Petro Board"

Items 7(b) and (c)..... "Proxy Statement Summary - The Transaction" and "The Transaction - Background of and Reasons for the Transaction - Background of the Transaction"

Item 7(d)..... "Proxy Statement Summary - Advantages to the Petro Common Stockholders," "Proxy Statement Summary - Potential Disadvantages and Risks to the Petro Common Stockholders," "Proxy Statement Summary - Selected Unaudited Pro Forma Combined Financial Information," "Proxy Statement Summary - Certain Federal Income Considerations," "Proxy Statement Summary -Accounting Treatment," "Risk Factors - Risks to Common Stockholders," "Risk Factors - Tax Risks to Common Stockholders," "Interests of Certain Persons in the Transaction; Conflicts of Interest - Petro," "The Transaction - Background of and Reasons for the Transaction -Recommendation of the Petro Board," "Management of the Partnership After the Transaction," "The Amended and Restated Partnership Agreement," "Cash Distribution Policy," "Cash Available for Distribution," "Description of the Units," "Comparison of Securities" and "Certain Federal Income Tax Considerations"

Items 8(a) - (e)..... Cover Page, "Proxy Statement Summary -Recommendation of Petro Board and Opinion of Dain Rauscher Wessels," "Proxy Statement Summary - Votes Required; Record Date," "Proxy Statement Summary - Interests of Certain Persons in the Transaction; Conflicts of Interest -Petro," "Interests of Certain Persons in the Transaction; Conflicts of Interest - Petro," "The Special Meeting - Petro Board Recommendation," "The Transaction - Background of and Reasons for the Transaction - Background of the

Transaction," "The Transaction - Background of and Reasons for the Transaction -Recommendation of the Petro Board" and "The Transaction -

Background of and Reasons for the Transaction - Opinion of Dain Rauscher Wessels"

Item 8(f).....	*
Items 9(a) - (c).....	"Proxy Statement Summary - Recommendation of Petro Board and Opinion of Dain Rauscher Wessels," "The Transaction - Background of and Reasons for the Transaction - Background of the Transaction - Petro Retains Dain Rauscher Wessels to Provide a Fairness Opinion to Petro's Public Common Stockholders" and "The Transaction - Background of and Reasons for the Transaction - Opinion of Dain Rauscher Wessels"
Items 10(a).....	"Proxy Statement Summary - Votes Required; Record Date - Petro" and "The Special Meeting -Voting Rights; Vote Required"
Item 10(b).....	*
Item 11.....	"Proxy Statement Summary - The Transaction," "Proxy Statement Summary - Votes Required; Record Date," "The Special Meeting - Voting Rights; Vote Required," "The Special Meeting -Petro Preferred Stock," "The Transaction -Description of the Transaction," "The Transaction - Description of the Merger and the Exchange" and "The Transaction - Related Financing and Refinancing Transactions"
Items 12(a) and (b).....	"Proxy Statement Summary - Recommendation of Petro Board and Opinion of Dain Rauscher Wessels," "Proxy Statement Summary - Vote Required; Record Date," "The Special Meeting -Voting Rights; Vote Required" and "The Transaction - Background of and Reasons for the Transaction - Recommendation of the Petro Board"
Item 13(a).....	"Proxy Statement Summary - Dissenters' Rights," "Dissenters' Rights" and Annex F to the Proxy Statement
Item 13(b).....	*
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Item 13(c).....	*
Item 14(a) and (b).....	"Proxy Statement Summary - Summary Selected Historical Financial and Operating Data," "Proxy Statement Summary - Selected Unaudited Pro Forma Combined Financial Information," "Comparative Security Price and Distribution Information - Comparative Per Share/Per Unit Information (Unaudited)," "Selected Unaudited Combined Pro Forma Financial Information" and "Incorporation of Certain Documents by Reference"

Item 14(b).....	*
Item 15(a).....	"Proxy Statement Summary - The Transaction," "Proxy Statement Summary - Related Financing and Refinancing Transactions," "Proxy Statement Summary - Estimated Sources and Uses of Funds," "The Unitholders Meeting - Cost of Solicitation of Proxies," "The Special Meeting -Cost of Solicitation of Proxies," "The Transaction - Related Financing and Refinancing Transactions - Public Offerings" and "The Transaction -Certain Provisions of the Merger and Merger Agreement - Expenses"
Item 15(b).....	"The Unitholders Meeting - Cost of Solicitation of Proxies," "The Special Meeting - Cost of Solicitation of Proxies," "The Transaction -Background of and Reasons for the Transaction -Opinion of A.G. Edwards - Terms of A.G. Edwards' Engagement" and "The Transaction -Background of and Reasons for the Transaction -Opinion of Dain Rauscher Wessels - Dain Rauscher Wessels' Engagement Agreement"
Item 16.....	The Proxy Statement in its entirety
Item 17.....	*

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* The Item is located in the Schedule 13E-3 only.

ITEM 1. ISSUER AND CLASS OF SECURITY SUBJECT TO THE TRANSACTION.

(a) The relevant information set forth in the Proxy Statement on the cover page thereof and under "Proxy Statement Summary - Parties - Petro" and "Parties to the Transaction - Petro" is incorporated herein by reference.

(b) The information set forth in the Proxy Statement under "Proxy Statement Summary - Votes Required; Record Date - Petro" and "The Special Meeting - Petro Record Date," "The Special Meeting - Voting Rights; Votes Required" and "The Special Meeting - Petro Preferred Stock" is incorporated herein by reference.

(c) and (d) The relevant information set forth in the Proxy Statement under "Proxy Statement Summary - Comparative Market Price Information" and "Comparative Security Price and Distribution Information - Petro Capital Stock - Class A Common Stock" is incorporated herein by reference.

(e) Not Applicable.

(f) Not Applicable.

ITEM 2. IDENTITY AND BACKGROUND.

(a)-(d) and (g) This Statement is being filed by the Issuer, the Partnership and Star Gas. The information set forth on the cover page thereof and under "Proxy Statement Summary -Parties," "Parties to the Transaction- Petro," "Management of the Partnership After the Transaction - Officers and Employees of the Operating Partnership and Petro - Petro" and "Beneficial Ownership of Principal Unitholders and Management" and information appearing under Item 10 of the Petro 10-K and under "Election of Directors" and "Executive Officers" in the Petro Annual Meeting Proxy Statement and information appearing under Item 10 of the Partnership 10-K, which information is incorporated by reference in the Proxy Statement under "Incorporation of Certain Documents by

Reference" and is incorporated herein by reference.

(e) and (f) During the last five years, none of (i) the Issuer, the Partnership or Star Gas or, (ii) to the best knowledge of the Issuer, the Partnership and Star Gas, any person who is a director or executive officer of the Issuer, the Partnership or Star Gas has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting activities subject to, federal or state securities laws or finding any violation of such laws. The Partnership and the Operating Partnership do not have any officers, directors or employees.

ITEM 3. PAST CONTACTS, TRANSACTIONS OR NEGOTIATIONS.

(a) The relevant information set forth in the Proxy Statement under "Proxy Statement Summary - The Merger and the Exchange" and "Proxy Statement Summary - Partnership Structure and Management Following the Transaction," "The Transaction - Background of and Reasons for the Transaction - Background of the Transaction" and "Management of the Partnership After the Transaction - Reimbursement of Expenses of the General Partner" and

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information appearing under Item 13 of the Petro 10-K and under "Election of Directors - Certain Transactions" in the Petro Annual Meeting Proxy Statement and information appearing in Note 16 (Related Party Transactions) to the Consolidated Financial Statements of the Partnership and its subsidiary included in the Partnership 10-K, which information is incorporated by reference in the Proxy Statement under "Incorporation of Certain Documents" and is incorporated herein by reference.

(b) The relevant information set forth in the Proxy Statement under "Proxy Statement Summary - The Transaction," "The Transaction - Description of the Transaction" and "The Transaction - Background of and Reasons for the Transaction" is incorporated herein by reference.

ITEM 4. TERMS OF THE TRANSACTION.

(a) and (b) The information set forth in the Proxy Statement on the cover page thereof and under "Proxy Statement Summary - The Transaction," "Proxy Statement Summary - The Merger and the Exchange," "The Transaction - Description of the Transaction," "The Transaction - Description of the Merger and the Exchange" and "The Transaction - Certain Provisions of the Merger and Merger Agreement" is incorporated herein by reference.

ITEM 5. PLANS OR PROPOSALS OF THE ISSUER OR AFFILIATE.

(a)-(g) The information set forth in the Proxy Statement under "Proxy Statement Summary - The Transaction," "Proxy Statement Summary - The Merger and the Exchange," "The Transaction - Description of the Transaction," "The Transaction - Description of the Merger and the Exchange" and "The Transaction - Certain Provisions of the Merger and the Merger Agreement" is incorporated herein by reference.

ITEM 6. SOURCE AND AMOUNTS OF FUNDS OR OTHER CONSIDERATION.

(a) The information set forth in the Proxy Statement under "Proxy Statement Summary - The Transaction," "Proxy Statement Summary - Related Financing and Refinancing Transactions" and "The Transaction - Related Financing and Refinancing Transactions" is incorporated herein by reference.

(b) The information set forth in the Proxy Statement under "Proxy Statement Summary - Estimated Sources and Uses of Funds," "The Unitholders Meeting - Cost of Solicitation of Proxies," "The Special Meeting - Cost of Solicitation of Proxies," "The Transaction - Opinion of A.G. Edwards - Terms of A.G. Edwards' Engagement," "The Transaction - Opinion of Dain Rauscher Wessels - Dain Rauscher Wessels' Engagement Agreement" and "The Transaction - Certain Provisions of the Merger and Merger Agreement - Expenses" is incorporated herein by reference.

(c) The information set forth in the Proxy Statement under "Proxy Statement Summary - Related Financing and Refinancing Transactions" and "The Transaction - Related Financing and Refinancing Transactions" is incorporated herein by

reference.

(d) Not applicable.

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ITEM 7. PURPOSE(S), ALTERNATIVES, REASONS AND EFFECTS.

(a) The information set forth in the Proxy Statement under "Proxy Statement Summary - Advantages to the Petro Common Stockholders," "Proxy Statement Summary - Recommendations of Petro Board and Opinion of Dain Rauscher Wessels," "Proxy Statement Summary - Interests of Certain Persons in the Transaction; Conflicts of Interest - Petro," "Proxy Statement Summary - Cash Available for Distribution," "Proxy Statement Summary -Description of the Partnership Units," "The Transaction - Background of and Reasons for the Transaction - Background of the Transaction" and "The Transaction - Background of and Reasons for the Transaction - Reasons for the Transaction; Recommendation of the Petro Board" is incorporated herein by reference.

(b) and (c) The information set forth in the Proxy Statement under "Proxy Statement Summary - The Transaction" and "The Transaction - Background of and Reasons for the Transaction - Background of the Transaction" is incorporated herein by reference.

(d) The information set forth in the Proxy Statement "Proxy Statement Summary -Advantages to the Petro Common Stockholders," "Proxy Statement Summary - Potential Disadvantages and Risks to the Petro Common Stockholders," "Proxy Statement Summary -Selected Unaudited Pro Forma Combined Financial Information," "Proxy Statement Summary -Certain Federal Income Considerations," "Proxy Statement Summary - Accounting Treatment," "Risk Factors - Risks to Common Stockholders," "Risk Factors - Tax Risks to Common Stockholders," "Interests of Certain Persons in the Transaction; Conflicts of Interest - Petro," "The Transaction - Background of and Reasons for the Transaction - Recommendation of the Petro Board," "Management of the Partnership After the Transaction," "The Amended and Restated Partnership Agreement," "Cash Distribution Policy," "Cash Available for Distribution," "Description of the Units," "Comparison of Securities" and "Certain Federal Income Tax Considerations" is incorporated herein by reference.

ITEM 8. FAIRNESS OF THE TRANSACTION.

(a)-(e) The information set forth in the Proxy Statement on the cover page thereof and under "Proxy Statement Summary - Recommendation of Petro Board and Opinion of Dain Rauscher Wessels," "Proxy Statement Summary - Votes Required; Record Date," "Proxy Statement Summary - Interests of Certain Persons in the Transaction; Conflicts of Interest -Petro," "Interests of Certain Persons in the Transaction; Conflicts of Interest - Petro," "The Special Meeting - Petro Board Recommendation," "The Transaction - Background of and Reasons for the Transaction - Background of the Transaction," "The Transaction - Background of and Reasons for the Transaction - Recommendation of the Petro Board" and "The Transaction - Background of and Reasons for the Transaction - Opinion of Dain Rauscher Wessels" is incorporated herein by reference.

(f) Not applicable.

ITEM 9. REPORTS, OPINIONS, APPRAISALS AND CERTAIN NEGOTIATIONS.

(a) - (c) The information set forth in the Proxy Statement under "Proxy Statement Summary - Recommendation of Petro Board and Opinion of Dain Rauscher Wessels," "The Transaction - Background of and Reasons for the Transaction - Background of the Transaction -

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Petro Retains Dain Rauscher Wessels to Provide a Fairness Opinion to Petro's Public Common Stockholders" and "The Transaction - Background of and Reasons for the Transaction - Opinion of Dain Rauscher Wessels" is incorporated herein by reference. The opinion of Dain Rauscher Wessels is attached to the Proxy Statement as Annex E.

ITEM 10. INTEREST IN SECURITIES OF THE ISSUER.

(a) The information set forth in the Proxy Statement under "Proxy Statement

Summary - Votes Required; Record Date - Petro" and "The Special Meeting - Voting Rights; Vote Required" and the information set forth in the Petro Annual Meeting Proxy Statement under "Ownership of Equity Securities in the Company" is incorporated herein by reference.

(b) Not applicable.

ITEM 11. CONTRACTS, ARRANGEMENTS OR UNDERSTANDINGS WITH RESPECT TO THE ISSUER'S SECURITIES PROXY STATEMENT - SUMMARY - THE TRANSACTION.

The information set forth in the Proxy Statement under "Proxy Statement Summary -The Transaction," "Proxy Statement Summary - Votes Required; Record Date," "The Special Meeting - Voting Rights; Vote Required," "The Special Meeting - Petro Preferred Stock," "The Transaction - Description of the Transaction," "The Transaction - Description of the Merger and the Exchange" and "The Transaction - Related Financing and Refinancing Transactions" is incorporated herein by reference.

ITEM 12. PRESENT INTENTION AND RECOMMENDATION OF CERTAIN PERSONS WITH REGARD TO THE TRANSACTION.

(a) and (b) The information set forth in the Proxy Statement under "Proxy Statement Summary - Recommendation of Petro Board and Opinion of Dain Rauscher Wessels," "Proxy Statement Summary - Vote Required; Record Date," "The Special Meeting - Voting Rights; Vote Required" and "The Transaction - Background of and Reasons for the Transaction -Recommendation of the Petro Board" is incorporated herein by reference.

ITEM 13. OTHER PROVISIONS OF THE TRANSACTION.

(a) The information set forth in the Proxy Statement under "Proxy Statement Summary - Dissenters' Rights," "Dissenters' Rights" and Annex F to the Proxy Statement is incorporated herein by reference.

(b) Not applicable.

(c) Not applicable.

ITEM 14. FINANCIAL INFORMATION.

(a) The information set forth in the Proxy Statement under "Proxy Statement Summary - Summary Selected Historical Financial and Operating Data," "Proxy Statement Summary -Selected Unaudited Pro Forma Combined Financial Information," "Comparative Security Price

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and Distribution Information - Comparative Per Share/Per Unit Information (Unaudited)" and "Selected Unaudited Combined Pro Forma Financial Information" is incorporated herein by reference. The consolidated financial statements of Petro and its subsidiaries included in the Petro 10 - K have been incorporated by reference in the Proxy Statement under "Incorporation of Certain Documents by Reference" are incorporated herein by reference.

(b) Not applicable.

ITEM 15. PERSONS AND ASSETS EMPLOYED, RETAINED OR UTILIZED.

(a) The relevant information set forth under "Proxy Statement Summary - The Transaction," "Proxy Statement Summary - Related Financing and Refinancing Transactions," "Proxy Statement Summary - Estimated Sources and Uses of Funds," "The Unitholders Meeting - Cost of Solicitation of Proxies," "The Special Meeting - Cost of Solicitation of Proxies," "The Transaction - Related Financing and Refinancing Transactions - Public Offerings" and "The Transaction - Certain Provisions of the Merger and Merger Agreement - Expenses" is incorporated herein by reference.

(b) The relevant information set forth under "The Unitholders Meeting - Cost of Solicitation of Proxies," "The Special Meeting - Cost of Solicitation of Proxies," "The Transaction - Background of and Reasons for the Transaction - Opinion of A.G. Edwards -Terms of A.G. Edwards' Engagement" and "The Transaction - - Background of and Reasons for the Transaction - Opinion of Dain Rauscher Wessels - Dain Rauscher Wessels' Engagement Agreement" is incorporated herein by reference.

ITEM 16. ADDITIONAL INFORMATION.

The information set forth in the Proxy Statement, a copy of which is filed as Exhibit (d)(1) hereto, is incorporated herein by reference.

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ITEM 17. MATERIAL TO BE FILED AS EXHIBITS.

- (a) Loan agreements referred to in Item 6.*
- (b)(1) Opinion of Dain, Rauscher Wessels, dated October 22, 1998 (attached as Annex E to the Proxy Statement).**
- (c)(1) Agreement and Plan of Merger dated October 22, 1998, among Issuer, the Partnership, the Operating Partnership, and Mergeco and the Company (attached as Annex A to the Proxy Statement).**
- (c)(2) Exchange Agreement dated October 22, 1998 among the Partnership and certain affiliated Common Stockholders of Petro (attached as Annex B to the Proxy Statement).**
- (d)(1) Preliminary Proxy Statement/Prospectus dated October 22, 1998.**
- (d)(2) Form of Letter of Transmittal to holders of Petro Common Stock .**
- (d)(3) Form of Notice of Special Meeting.**
- (d)(4) Press Release issued by Parent on August 14, 1998.*
- (e) Section 302A-471 and 302A-473 of the Minnesota Business Corporation Act (attached as Annex F to the Proxy Statement).**
- (f) Not applicable.

* To be filed by amendment.

** Incorporated by reference to the Registration Statement on Form S-4 filed by the Issuer with the Securities and Exchange Commission on October 22, 1998.

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SIGNATURES

After due inquiry and to the best of my knowledge and belief, each of the undersigned hereby certifies that the information set forth in this statement is true, complete and correct.

October 22, 1998.

PETROLEUM HEAT AND POWER CO., INC.

By: /s/ Irik P. Sevin

Name: Irik P. Sevin
Title: Chairman of the Board and Chief
Executive Officer

STAR GAS PARTNERS, L.P.

By: Star Gas Corporation

its General Partner

By: /s/ Joseph P. Cavanaugh

Name: Joseph P. Cavanaugh
Title: President

STAR GAS CORPORATION

By: /s/ Joseph P. Cavanaugh

Name: Joseph P. Cavanaugh
Title: President

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EXHIBIT INDEX

EXHIBIT NO.	DESCRIPTION
(a)	Loan agreements referred to in Item 6.*
(b) (1)	Opinion of Dain, Rauscher Wessels, dated October 22, 1998 (attached as Annex E to the Proxy Statement).**
(c) (1)	Agreement and Plan of Merger dated October 22, 1998, among Issuer, the Partnership, the Operating Partnership, and Mergeco and the Company (attached as Annex A to the Proxy Statement).**
(c) (2)	Exchange Agreement dated October 22, 1998 among the Partnership and certain affiliated Common Stockholders of Petro (attached as Annex B to the Proxy Statement).**
(d) (1)	Preliminary Proxy Statement/Prospectus dated October 22, 1998.**
(d) (2)	Form of Letter of Transmittal to holders of Petro Common Stock .**
(d) (3)	Form of Notice of Special Meeting.**
(d) (4)	Press Release issued by Parent on August 14, 1998.*
(e)	Section 302A-471 and 302A-473 of the Minnesota Business Corporation Act (attached as Annex F to the Proxy Statement).**
(f)	Not applicable.

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* To be filed by amendment.

** Incorporated by reference to the Registration Statement on Form S-4 filed by the Issuer with the Securities and Exchange Commission on October 22, 1998.