



October 25, 2000

STAR GAS PARTNERS PRICES OFFERING OF 1.3 MILLION COMMON UNITS AT \$16.625 PER UNIT AND ANNOUNCES COMPLETION OF \$40 MILLION DEBT REFINANCING

STAMFORD, CT (October 25, 2000) -- 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 1.3 million Common Units of limited partner interest in a publicly underwritten offering managed by PaineWebber Incorporated, A. G. Edwards & Sons, Inc. and CIBC World Markets. The offering price was \$16.625 per unit.

Approximately \$12.8 million of the net proceeds will be used to repay a portion of the amounts outstanding under the Partnership's bank acquisition facilities. The balance of the net proceeds of approximately \$7.5 million will be used to fund acquisitions and for growth capital expenditures. Pending such uses, these funds may be used to finance seasonal working capital requirements and for general partnership purposes.

Star also completed the refinancing of the remaining \$40 million of its heating oil operations' bank acquisition facility through the issuance of a like amount of senior notes to three institutional purchasers. These notes bear interest at the rate of 8.96% per year and have a final maturity of November 1, 2010.

As a result of these transactions, the Partnership has refinanced all amounts outstanding under its bank acquisition facilities with long-term capital.

In commenting on these developments, Mr. Irik Sevin, the Chairman and Chief Executive Officer of the Partnership, indicated that we are pleased with these financings as they validate the continued confidence that the capital markets have in the Partnership. In addition, they provide the Partnership with increased financial flexibility to fund its growth strategy.

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

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.

Star Gas Partners, L.P., is a leading distributor of home heating oil, propane and deregulated natural gas and electricity to a combined customer base of approximately 660,000. Through its wholly owned Petro subsidiary, Star is the nation's largest retail distributor of home heating oil, serving approximately 350,000 customers in the Northeast and Mid-Atlantic. Star is the nation's eighth largest retail propane distributor, serving approximately 200,000 customers throughout the Midwest and Northeast. Star owns a controlling 72.2% interest in Total Gas and Electric, which sells natural gas and electricity to approximately 110,000 customers in the Northeast and Mid-Atlantic.