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STAR GAS ACQUIRES RHODE ISLAND PROPANE DISTRIBUTOR FROM SOUTHERN UNION COMPANY

STAMFORD, CT (September 28, 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 the acquisition of assets of Valley Propane, Inc. from Southern Union Company (NYSE: SUG), a natural gas utility based in Austin, TX. Valley Propane, based in Providence, RI, serves approximately 2,800 customers, with annual propane volume of approximately 2.0 million gallons. The acquisition follows Star Gas Partners' August 2001 purchase of the assets of Southern Union's Rhode Island-based heating oil distribution business, ProvEnergy.

Star Gas CEO Irik Sevin, said, "This transaction exemplifies our disciplined and active acquisition program which is focused on acquiring heating oil and propane businesses of all sizes that meet our profile. We are pleased that Southern Union's focus on its core natural gas distribution business has afforded us these attractive growth opportunities."

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, serving approximately 500,000 customers through its Petro and Meenan Oil subsidiaries. Star is also the nation's eighth largest retail propane distributor, serving approximately 260,000 customers throughout the Midwest and Northeast. Star owns a controlling 80.0% interest in Total Gas and Electric, which sells natural gas and electricity in the Northeast and Mid Atlantic to 55,000 customers.

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.