

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C.

SCHEDULE 13E-3

Amendment No. 2

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;
 SEC File No. 333-66005
 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, 1998 (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

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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 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, "Summary - Parties - Petro" and "Parties - Parties to the Transaction - Petro"
Item 1(b).....	Cover Page, "Proxy Solicitations - The Special Meeting - Petro Record Date," "Proxy Solicitations - The Special Meeting - Voting Rights; Vote Required" and "Proxy Solicitations - The Special Meeting - Voting Rights of Holders of Petro Preferred Stock"
Items 1(c) and (d).....	"Comparative Security Price and Distribution Information - Petro Capital Stock - Class A Common Stock," "Comparison of Securities - Distributions and Dividends" and "Incorporation of Certain Documents by Reference"
Item 1(e).....	*
Item 1(f).....	*
Items 2(a) - (d) and (g).....	Cover Page, "Summary - Parties," "Parties - Parties to the Transaction," "Management of Star Gas Partners After the Transaction - Officers and Employees of Star Gas Propane and Petro," "Beneficial Ownership of Principal Unitholders and Management" and "Incorporation of Certain Documents by Reference"
Items 2(e) and (f).....	*

Items 3(a) and (b)..... "Summary - The Transaction," "Summary - The Transaction - The Merger and the Exchange," "The Transaction - Description of the Transaction," "The Transaction -

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Description of the Merger and the Exchange," "Special Factors - Background of the Transaction," "Management of Star Gas Partners After the Transaction" and "Incorporation of Certain Documents by Reference"

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

Items 5(a) - (g)..... "Summary - The Transaction," "Summary - The Transaction - The Merger and the Exchange," "The Transaction - Description of the Transaction," "The Transaction - Description of the Merger and the Exchange" and "The Transaction - Description of the Merger Agreement"

Item 6(a)..... "Summary - The Transaction - Financings and Refinancings," "Summary - Financial Information - Estimated Sources and Uses of Funds of the Equity Offering and Debt Offering" and "The Transaction - Related Financing and Refinancing Transactions"

Item 6(b)..... "Summary - Financial Information - Estimated Sources and Uses of Funds of the Equity Offering and Debt Offering," "Proxy Solicitations - The Unitholders Meeting - Cost of Solicitation of Proxies," "Proxy Solicitation - The Special Meeting - Cost of Solicitation of Proxies," "Special Factors - Opinion of A.G. Edwards - Terms of A.G. Edwards' Engagement," "Special Factors - Opinion of Dain Rauscher Wessels - Dain Rauscher Wessels' Engagement Agreement" and "The Transaction - Description of the Merger Agreement - Expenses"

Item 6(c)..... "Summary - The Transaction - Related Financings and Refinancings" and "The

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Transaction - Related Financing and Refinancing Transactions"

Item 6(d)..... *

Item 7(a)..... "Summary - Special Factors - Potential

Advantages to Petro's Common Stockholders," "Summary - Special Factors - Recommendations of Petro Board of Directors and Opinion of Dain Rauscher Wessels," "Summary - Description of Star Gas Partners Units After Amendment of the Partnership Agreement" "Special Factors - Background of the Transaction," "Special Factors - Reasons for the Transaction that the Petro Board Considered; Recommendation of the Petro Board," "Cash Available for Distribution" and "Description of the Units"

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

Item 7(d)..... "Summary - Parties - Relationship of the Parties," "Summary - Special Factors - Potential Advantages to Petro's Common Stockholders," "Summary - Special Factors - Potential Disadvantages and Risks to Petro's Common Stockholders," "Summary - Financial Information - Summary Selected Unaudited Pro Forma Condensed Consolidated Financial Information," "Risk Factors - Risks to Common Stockholders," "Risk Factors -Tax Risks to Common Stockholders," "Parties -Interested Party Transactions" "Special Factors - Reasons for the Transaction that the Petro Board Considered; Recommendation of the Petro Board,"

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"Management of Star Gas Partners 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, "Summary - Special Factors - Recommendations of Petro Board of Directors and Opinion of Dain Rauscher Wessels," "Proxy Solicitations - The Special Meeting - Petro Board Recommendation," "Proxy Solicitations - The Special Meeting - Voting Rights; Vote Required," "Special Factors - Background of the Transaction," "Special Factors -Reasons for the Transaction that the Petro Board Considered; Recommendation of the Petro Board" and "Special Factors - Opinion of Dain Rauscher Wessels"

Item 8(f)..... *

Items 9(a) - (c)..... "Summary - Special Factors - Recommendation of Petro Board of Directors and Opinion of Dain Rauscher Wessels," "Special Factors -Background of the Transaction - Petro Retains Dain

Rauscher Wessels to Provide a Fairness
Opinion to Petro's Public Common
Stockholders" and "Special Factors -
Opinion of Dain Rauscher Wessels"

Items 10(a).....	"Proxy Solicitations - The Special Meeting - Voting Rights; Vote Required"
Item 10(b).....	*
Item 11.....	"Summary - Parties - Relationship of the Parties," "Summary - The Transaction,"

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"Summary - The Transaction - The Merger and the Exchange," "Summary - The Transaction - Financings and Refinancings," "The Transaction - Description of the Transaction," "The Transaction - Description of the Merger and the Exchange," "The Transaction - Related Financing and Refinancing Transactions" and "Parties - Interested Party Transactions"

Items 12(a) and (b).....	"Summary - Special Factors - Recommendation of Petro Board of Directors and Opinion of Dain Rauscher Wessels," "Proxy Solicitations - The Special Meeting - Petro Board Recommendation," "Proxy Solicitations - The Special Meeting - Voting Rights; Vote Required" and "Special Factors - Reasons for the Transaction that the Petro Board Considered; Recommendation of the Petro Board"
Item 13(a).....	"Proxy Solicitations - The Special Meeting- Dissenters' Rights," "Dissenters' Rights," and Annex F to the Proxy Statement
Item 13(b).....	*
Item 13(c).....	*
Item 14(a) and (b).....	"Summary - Financial Information - Summary Selected Historical Financial and Operating Data of Petro," "Summary - Financial Information - Summary Selected Unaudited Pro Forma Condensed Consolidated Financial Information," "Comparative Security Price and Distribution Information - Comparative Per Share/Per Unit Information (Unaudited)," "Unaudited Pro Forma Condensed Consolidated Financial Information" and "Incorporation of Certain Documents by Reference"
Item 14(b).....	*
Item 15(a).....	"Summary - The Transaction," "Summary - The Transaction - Financings

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and Refinancings, "Summary - Financial Information - Estimated Sources and Uses of Funds of the Equity Offering and Debt Offering," "Proxy Solicitations - The Unitholders Meeting - Cost of Solicitation of Proxies," "Proxy Solicitations - The Special Meeting - Cost of Solicitation of Proxies," "The Transaction - Related Financing and Refinancing Transactions - Public Offerings" and "The Transaction - Description of the Merger Agreement - Expenses"

Item 15(b)..... "Proxy Solicitations - The Unitholders Meeting - Cost of Solicitation of Proxies," "Proxy Solicitations - The Special Meeting - Cost of Solicitation of Proxies," "Special Factors - Opinion of A.G. Edwards - Terms of A.G. Edwards' Engagement" and "Special Factors - 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 "Summary - Parties - Petro" and "Parties - Parties to the Transaction - Petro" is incorporated herein by reference.

(b) The information set forth in the Proxy Statement on the cover page thereof and under "Proxy Solicitations - The Special Meeting - Petro Record Date," "Proxy Solicitations - The Special Meeting - Voting Rights; Vote Required" and "Proxy Solicitations - The Special Meeting - Voting Rights of Holders of Petro Preferred Stock" is incorporated herein by reference.

(c) and (d) The relevant information set forth in the Proxy Statement under "Comparative Security Price and Distribution Information - Petro Capital Stock - Class A Common Stock," "Comparison of Securities - Distributions and Dividends" and "Incorporation of Certain Documents by Reference" is incorporated herein by reference. The information set forth in Item 5, Part II of the Petro 10-K under the heading "Market for Registrant's Common Equity and Related Stockholder Matters" is incorporated herein by reference.

(e) On December 22, 1997, the Partnership offered, in an underwritten public offering registered under the Securities Act, 832,727 of its common units representing limited partner interests (the "Common Units"), at an offering price to the public of \$21.25 per Common Unit. 809,000 of such Common Units were offered by the Partnership and 23,727 of such Common Units were offered by Star Gas as the selling unitholder. The Partnership received net proceeds of \$16,244,720 for 809,000 Common Units sold by the Partnership, and Star Gas received net proceeds of \$2,966.358 for 87,000 Common Units sold by Star Gas (including 62,273 Common Units sold by Star Gas pursuant to the over-allotment option to purchase an additional 124,000 Common Units granted to the underwriters, which was exercised in part on January 7, 1998).

(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 "Summary - Parties," "Parties - Parties to the Transaction," "Management of Star Gas Partners After the Transaction - Officers and Employees of Star Gas Propane and 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.

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(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) and (b) The relevant information set forth in the Proxy Statement under "Summary - The Transaction," "Summary - The Merger and the Exchange," "The Transaction - Description of the Transaction," "The Transaction - Description of the Merger and the Exchange," and "Management of Star Gas Partners After the Transaction" and 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.

ITEM 4. TERMS OF THE TRANSACTION.

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

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

(a) The information set forth in the Proxy Statement under "Summary - Financings and Refinancings," "Summary - Financial Information - Estimated Sources and Uses of Funds of the Equity Offering and Debt Offering" and "The Transaction - Related Financing and Refinancing Transactions" is incorporated herein by reference.

(b) The information set forth in the Proxy Statement under "Summary - Financial Information - Estimated Sources and Uses of Funds of the Equity Offering and Debt Offering," "Proxy Solicitations - The Unitholders Meeting - Cost of Solicitation of Proxies," "Proxy Solicitations - The Special Meeting - Cost of Solicitation of Proxies," "Special Factors - Opinion of A.G. Edwards -

Terms of A.G. Edwards' Engagement," "Special Factors - Opinion of Dain Rauscher Wessels - Dain Rauscher Wessels' Engagement Agreement" and "The Transaction - Description of the Merger Agreement - Expenses" is incorporated herein by reference.

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

(d) Not applicable.

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

(a) The information set forth in the Proxy Statement under "Summary - Special Factors - Potential Advantages to Petro's Common Stockholders," "Summary -Special Factors - Recommendations of Petro Board of Directors and Opinion of Dain Rauscher Wessels," "Summary - Description of Star Gas Partners Units After Amendment of the Partnership Agreement," "Special Factors - Background of the Transaction," "Special Factors - Reasons for the Transaction that the Petro Board Considered; Recommendation of the Petro Board," "Cash Available for Distribution" and "Description of the Units" is incorporated herein by reference.

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

(d) The information set forth in the Proxy Statement "Summary - Parties - Relationship of the Parties," "Summary - Special Factors - Potential Advantages to Petro's Common Stockholders," "Summary -Special Factors - Potential Disadvantages and Risks to Petro's Common Stockholders," "Summary - Financial Information - Summary Selected Unaudited Pro Forma Condensed Consolidated Financial Information," "Risk Factors - Risks to Common Stockholders," "Risk Factors - Tax Risks to Common Stockholders," "Parties - Interested Party Transactions,"

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"Special Factors - Reasons for the Transaction that the Petro Board Considered; Recommendation of the Petro Board," "Management of Star Gas Partners 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 "Summary - Parties - Relationship of the Parties," "Summary - Special Factors - Recommendation of Petro Board of Directors and Opinion of Dain Rauscher Wessels," "Parties - Interested Party Transactions" "Proxy Solicitations - The Special Meeting - Petro Board Recommendation," "Proxy Solicitations - The Special Meeting - Voting Rights; Vote Required" "Special Factors - Background of the Transaction," "Special Factors - Reason for the Transaction that the Petro Board Considered; Recommendations of the Petro Board," and "Special Factors - 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 "Summary - Special Factors - Recommendation of Petro Board of Directors and Opinion of Dain Rauscher Wessels," "Special Factors - Background of the Transaction - Petro Retains Dain Rauscher Wessels to Provide a Fairness Opinion to Petro's Public Common Stockholders" and "Special Factors - 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 Solicitations - The Special Meeting - Voting Rights; Vote Required" and the

information set forth in the Petro Annual Meeting Proxy Statement under "Ownership of Equity Securities" is incorporated herein by reference.

(b) Not applicable.

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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 "Summary - Parties - Relationship of the Parties," "Summary - The Transaction," "Summary - The Transaction - The Merger and the Exchange," "Parties - Interested Party Transactions," "Summary - The Transaction - Financings and Refinancings," "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 "Summary - Special Factors - Recommendation of Petro Board of Directors and Opinion of Dain Rauscher Wessels," "Proxy Solicitations - The Special Meeting - Petro Board Recommendation," "Proxy Solicitations - The Special Meeting - Voting Rights; Vote Required" and "Special Factors - Reasons for the Transaction that the Petro Board Considered; 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 Solicitations - The Special Meeting - 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 "Summary - Financial Information - Summary Selected Historical Financial and Operating Data of Petro," "Summary - Financial Information - Summary Selected Unaudited Pro Forma Condensed Consolidated Financial Information," "Comparative Security Price and Distribution Information - Comparative Per Share/Per Unit Information (Unaudited)" and "Unaudited Pro Forma Condensed Consolidated 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.

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(b) Not applicable.

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

(a) The relevant information set forth under "Summary - The Transaction," "Summary - The Transaction - Financings and Refinancings," "Summary - Financial Information - Estimated Sources and Uses of Funds of the Equity Offering and Debt Offering," "Proxy Solicitations - The Unitholders Meeting - Cost of Solicitation of Proxies," "Proxy Solicitations - The Special Meeting - Cost of Solicitation of Proxies," "The Transaction - Related Financing and Refinancing Transactions - Public Offerings" and "The Transaction - Description of the Merger Agreement -Expenses" is incorporated herein by reference.

(b) The relevant information set forth under "Proxy Solicitations - The Unitholders Meeting - Cost of Solicitation of Proxies," "Proxy Solicitations - The Special Meeting - Cost of Solicitation of Proxies," "Special Factors - Opinion of A.G. Edwards - Terms of A.G. Edwards' Engagement" and "Special Factors - 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) Not Applicable.
- (b) (1) Opinion of Dain, Rauscher Wessels, dated October 22, 1998 (attached as Annex E to the Proxy Statement).**
- (b) (2) Dain Rauscher Wessels' Presentation to the Issuer's Board of Directors.****
- (b) (3) PaineWebber Incorporated's Presentations to the Issuer's Board of Directors.****
- (b) (4) Opinion of A. G. Edwards, dated October 16, 1998 (attached as Annex D to the Proxy Statement).**
- (b) (5) A. G. Edwards' Preliminary Report to Star Gas' Special Committee dated April 28, 1998.****
- (b) (6) A. G. Edwards' Appendices to Preliminary Report to Star Gas' Special Committee dated April 28, 1998.****
- (b) (7) A. G. Edwards' Preliminary Status Report to the Partnership's Board of Directors draft dated May 4, 1998.****
- (b) (8) A. G. Edwards' Round II Appendices to Preliminary Report to the Special Committee-Analyses Performed at \$2.00 per share dated May 4, 1998.****
- (b) (9) A. G. Edwards' Round II Appendices to Preliminary Report to the Special Committee-Analyses Performed at \$2.50 per share dated May 4, 1998.****
- (b) (10) A. G. Edwards' Preliminary Status Report to the Partnership's Board of Directors dated May 7, 1998.****
- (b) (11) A. G. Edwards' Proposal to Star Gas' Special Committee draft dated May 20, 1998.****
- (b) (12) A. G. Edwards' Round III Update to Preliminary Report to Star Gas' Special Committee dated May 21, 1998.****
- (b) (13) A. G. Edwards' Round III Appendices to Preliminary Report to Star Gas' Special Committee-Analyses Performed at \$2.50 per share plus issuances of DPUs dated May 21, 1998.****
- (b) (14) A. G. Edwards' Revised Proposal to Star Gas' Special Committee draft dated May 26, 1998.****
- (b) (15) A. G. Edwards' Revised Proposal to Star Gas' Special Committee draft dated July 28, 1998.****
- (b) (16) A. G. Edwards' Fairness Opinion Presentation to Star Gas' Special Committee dated October 16, 1998.****
- (b) (17) A. G. Edwards' Appendix I to Fairness Opinion Presentation to Star Gas' Special Committee dated October 16, 1998.****
- (b) (18) A. G. Edwards' Appendix II to Fairness Opinion Presentation to Star Gas' Special Committee dated October 16, 1998.****
- (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 January 21, 1999.**
- (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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* Filed herewith.

** 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.

*** Filed on October 22, 1998.

**** Filed on December 23, 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.

January 21, 1999

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) | Not Applicable. |

- (b) (1) Opinion of Dain, Rauscher Wessels, dated October 22, 1998 (attached as Annex E to the Proxy Statement).**
- (b) (2) Dain, Rauscher Wessels' Presentation to the Issuer's Board of Directors.****
- (b) (3) Paine Webber Incorporated's Presentations to the Issuer's Board of Directors.****
- (b) (4) Opinion of A.G. Edwards, dated October 16, 1998 (attached as Annex D to the Proxy Statement).**
- (b) (5) A.G. Edwards' Preliminary Report to Star Gas' Special Committee dated April 28, 1998.****
- (b) (6) A. G. Edwards' Appendices to Preliminary Report to Star Gas' Special Committee dated April 28, 1998.****
- (b) (7) A. G. Edwards' Preliminary Status Report to the Partnership's Board of Directors draft dated May 4, 1998.****
- (b) (8) A. G. Edwards' Round II Appendices to Preliminary Report to the Special Committee-Analyses Performed at \$2.00 per share dated May 4, 1998.****
- (b) (9) A. G. Edwards' Round II Appendices to Preliminary Report to the Special Committee-Analyses Performed at \$2.50 per share dated May 4, 1998.****
- (b) (10) A. G. Edwards' Preliminary Status Report to the Partnership's Board of Directors dated May 7, 1998.****
- (b) (11) A. G. Edwards' Proposal to Star Gas' Special Committee draft dated May 20, 1998.****
- (b) (12) A. G. Edwards' Round III Update to Preliminary Report to Star Gas' Special Committee dated May 21, 1998.****
- (b) (13) A. G. Edwards' Round III Appendices to Preliminary Report to Star Gas' Special Committee-Analyses Performed at \$2.50 per share plus issuances of DPUs dated May 21, 1998.****
- (b) (14) A. G. Edwards' Revised Proposal to Star Gas' Special Committee draft dated May 26, 1998.****
- (b) (15) A. G. Edwards' Revised Proposal to Star Gas' Special Committee draft dated July 28, 1998.****
- (b) (16) A. G. Edwards' Fairness Opinion Presentation to Star Gas' Special Committee dated October 16, 1998.****
- (b) (17) A. G. Edwards' Appendix I to Fairness Opinion Presentation to Star Gas' Special Committee dated October 16, 1998.****
- (b) (18) A. G. Edwards' Appendix II to Fairness Opinion Presentation to Star Gas' Special Committee dated October 16, 1998.****
- (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 January 21, 1999.**
- (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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* Filed herewith.

** 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.

*** Filed on October 22, 1998.

**** Filed on December 23, 1998.