August 1, 2002

STAR GAS PARTNERS, L.P. REPORTS FISCAL 2002 THIRD QUARTER RESULTS AND DECLARES QUARTERLY DISTRIBUTIONS

STAMFORD, CT (August 1, 2002) -- Star Gas Partners, L.P. (NYSE: SGU, SGH), a diversified home energy distributor and services provider specializing in heating oil, propane, natural gas and electricity, today reported results for the fiscal 2002 third quarter and the nine months ended June 30, 2002. Star also declared its $0.575 per unit Minimum Quarterly Distribution on its Common Units (SGU) and a $0.250 per unit distribution on its Senior Subordinated Units (SGH) for the quarter ended June 30, 2002, payable on August 14, 2002 to unitholders of record on August 9, 2002.

For the fiscal 2002 third quarter ended June 30, 2002, volume grew 25%, EBITDA improved 30% and net loss per unit was reduced by 26% compared to the same period in the prior year. Volume increased approximately 19 million gallons from 76.1 million gallons to 95.1 million gallons primarily due to the 20 acquisitions consummated since April 1, 2001, as well as slightly colder temperatures for the three months ended June 30, 2002 versus the same period in fiscal 2001. The fiscal third quarter is a non-heating season period when seasonal operating losses generally increase as the Partnership grows. Notwithstanding this normal phenomenon, Star's EBITDA loss narrowed 30% from $9.0 million to $6.3 million. The EBITDA improvement was attributable to: a) Star's ability to reduce operating expenses 7.5%, excluding the impact of acquisitions; b) the slightly colder temperatures; c) the Partnership's acquisition program which increased EBITDA approximately 28%; and d) improved gross profit margins.

The third quarter seasonal net loss improved $1.9 million, primarily as a result of the EBITDA performance, a $3.4 million increase due to FAS No.133, offset by an approximate $4.0 million increase in non-cash depreciation and amortization expenses attributable to acquisitions. Net income per unit

improved 26% or $0.36 per unit from a loss of $1.38 per unit for the three months ended June 30, 2001 to a loss of $1.02 per unit in the same period in fiscal 2002, primarily as a result of the improved EBITDA as well as for an increased number of units outstanding in a loss period.

For the nine months ended June 30, 2002, volume grew 5.3% compared to the same period in the prior year. This increase was attributable to the 30 acquisitions Star consummated since October 1, 2000 increasing volume by 25%, offset primarily by abnormal weather that was 18% warmer than experienced in the same period a year ago. Weather during this past heating season was unprecedented. Not only was it the warmest in 107 years, but temperatures were 6% higher than the next warmest heating season in the century. In addition, these conditions were especially pronounced in Star's markets, which were twice as warm as the national average.

Despite the unprecedented warm weather, EBITDA declined only 3% from $113.9 million to $110.0 million as the Partnership offset an approximate $52.4 million gross profit weather impact by: a) reducing operating expenses by approximately $18.7 million or 9%, excluding the impact of acquisitions; b) $7.1 million of net proceeds from weather insurance; c) a 1.5 cent per gallon increase in gross profit margins; d) the incremental EBITDA from its acquisition program; and e) excluding the effects of acquisitions, additional service revenue at the Partnership's heating oil division.

Diluted net income was $1.47 per unit for the nine months ended June 30, 2002, compared to $2.27 per unit in the comparable period in fiscal 2001. This decline was due to the abnormal weather, especially in Star's markets, an increase in the number of common units outstanding, as well as increased depreciation and amortization expense and the cost to fund Star's acquisition program. This decline was more significant than the reduction in EBITDA as the Partnership's acquisition program, while still accretive on a per unit basis, had a more beneficial effect on EBITDA than on net income per unit.

During the 2002 Fiscal Year to date, the Partnership acquired 11 propane and heating oil companies for a total purchase price of $45.3 million. The companies serve 33,000 customers and had annual volume of 22 million gallons.

In commenting on Star's performance, Chairman, Irik P. Sevin, indicated: “We are extremely pleased with this quarter's results in which our base business operating focus, as well as the positive contribution from our acquisitions, led to a very attractive EBITDA and net income per unit improvement. It was

especially gratifying that the heating oil division's long-term business process improvement program and the propane division's disciplined management team enabled us to sustain the significant cost reductions undertaken this past winter. While no one can predict weather, and we certainly believe it most likely that temperatures will return to at least something approximating normal, the Partnership has adopted a number of initiatives to reduce operating costs and mitigate the impact of warm weather should it persist. It is expected that included in these efforts would be a significant increase in weather insurance protection, to the extent it is available. While we have been somewhat unique in purchasing this type of coverage in the past, we believe that given our MLP structure, an increase in this type of protection is prudent."

Mr. Sevin went on to note, "The past nine months have been schizophrenic. While we, of course, are very disappointed with the effect the unprecedented weather has had on results, we are very pleased with: a) our ability to cut in half the weather's impact; b) the very positive contribution our disciplined acquisition program has had despite the weather; c) the continuing progress the heating oil division's business process improvement task force has made on capitalizing on Petro's unique size in the home heating oil industry to operate more cost effectively and with greater customer sensitivity; and d) the consistent growth in our propane division whose EBITDA and net income grew, not only in the quarter, but for the full nine months, making it an outstanding performer in its peer group."

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 and the nation's seventh largest retail propane distributor. Star, through its wholly-owned subsidiary Total Gas & Electric, also sells natural gas and electricity in the Northeast, Mid-Atlantic and Florida.

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.

STAR GAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per unit data)
(unaudited)

	Three Months Ended June 30,	
	2002	**2001**
Sales	$ 188,725	$ 166,052
Costs and expenses:		
Cost of sales	127,012	123,269
Operating expenses	66,796	54,063
Depreciation and amortization	15,027	11,031
TG & E customer acquisition expense	350	525
Unit compensation expense	74	772
Net gain (loss) on sales of fixed assets	(122)	(21)
Operating loss	(20,656)	(23,629)
Interest expense, net	8,767	7,887
Amortization of debt issuance costs	417	161
Loss before income taxes	(29,840)	(31,677)
Income tax expense	98	114
Net loss	$ (29,938)	$ (31,791)
General Partners' interest in net loss	$ (331)	$ (449)
Limited Partners' interest in net loss	$ (29,607)	$ (31,342)
Basic net loss per limited partner unit	$ (1.02)	$ (1.38)
Diluted net loss per limited partner unit	$ (1.02)	$ (1.38)
Weighted average number of Limited Partner units outstanding:		
Basic	28,957	22,767
Diluted	28,957	22,767
Supplementary Data:		
Retail propane volume - gallons sold	22,554	17,746
Home heating oil volume - gallons sold	72,525	58,373
Total volume – gallons sold	95,079	76,119
Distributable Cash Flow:		
EBITDA (a) (b)	$ (6,323)	$ (9,033)
Less Interest expense, net	(8,767)	(7,887)
Maintenance capital expenditures	(1,583) (c)	(638)

Maintenance capital expenditures	[illegible] (c)	[illegible]
Income taxes	(98)	(114)
Distributable Cash Flow	$ (16,771)	$ (17,672)

(a) EBITDA is defined as operating income (loss) plus depreciation and amortization, TG & E customer acquisition expense and unit compensation expense, less net gain (loss) on sales of fixed assets and before the impact of SFAS No. 133. EBITDA should not be considered as an alternative to net income (as an indicator of operating performance) or as an alternative to cash flow (as a measure of liquidity or ability to service debt obligations), but provides additional information for evaluating the Partnership's ability to make the Minimum Quarterly Distribution.

(b) For the three months ended June 30, 2002, the impact of SFAS No. 133 reduced cost of sales by $1.2 million. For the three months ended June 30, 2001, the impact of SFAS No. 133 increased cost of sales by $2.2 million.

(c) For the three months ended June 30, 2002 maintenance capital expenditures includes $0.4 million of TG & E direct marketing expenses.

STAR GAS PARTNERS, L.P. AND SUBSIDIARIES
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(in thousands, except per unit data)
(unaudited)

	Nine Months Ended June 30, 2002	Nine Months Ended June 30, 2001
Sales	$ 886,233	$ 960,003
Costs and expenses:		
Cost of sales	563,241	672,541
Operating expenses	207,999	176,798
Depreciation and amortization	44,039	31,050
TG & E customer acquisition expense	756	1,896
Unit compensation expense	239	1,991
Net gain (loss) on sales of fixed assets	(181)	21
Operating income	69,778	75,748
Interest expense, net	28,668	25,007
Amortization of debt issuance costs	1,036	457
Income before income taxes and cumulative change in Accounting principle	40,074	50,284
Income tax expense (benefit)	(1,707)	1,753
Income before cumulative change in accounting principle	41,781	48,531
Cumulative effect of change in accounting principle for adoption of SFAS No. 133, net of income taxes	-	1,466
Net income	$ 41,781	$ 49,997
General Partners' interest in net income	$ 488	$ 745
Limited Partners' interest in net income	$ 41,293	$ 49,252
Basic net income per limited partner unit	$ 1.47	$ 2.28
Diluted net income per limited partner unit	$ 1.47	$ 2.27
Weighted average number of Limited Partner units outstanding:		
Basic	28,068	21,603
Diluted	28,110	21,716
Supplementary Data:		
Retail propane volume - gallons sold	118,394	115,746
Home heating oil volume - gallons sold	419,175	394,648
Total volume – gallons sold	537,569	510,394
Distributable Cash Flow:		
EBITDA (a) (d)	$ 109,951	$ 113,933
Less Interest expense, net	(28,668)	(25,007)
Maintenance capital expenditures	(3,768) (e)	(1,912)
Income taxes	1,707	(1,753)
Distributable Cash Flow	$ 79,222	$ 85,261

(d) For the nine months ended June 30, 2002, the impact of SFAS No. 133 reduced cost of sales by $5.0 million. For the nine months ended June 30, 2001, the impact of SFAS No. 133 increased cost of sales by $3.3 million.

(e) For the nine months ended June 30, 2002 maintenance capital expenditures includes $0.7 million of TG &E direct marketing expenses.

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