



January 19, 2001

## **STAR GAS PARTNERS, L.P. ANNOUNCES HOME HEATING OIL ACQUISITION AND SIGNED CONTRACT TO PURCHASE ASSETS OF RETAIL PROPANE DISTRIBUTOR**

STAMFORD, CT (January 19, 2001) -- Star Gas Partners, L.P. ("Star") (NYSE: SGU, SGH), a diversified home energy distributor and services provider - specializing in heating oil, propane, electricity and natural gas, today announced that it has completed the acquisition of certain assets of a home heating oil distributor and signed a contract to acquire certain assets of a retail propane distributor with combined annual sales of 70 million gallons of heating oil and propane for an aggregate purchase price of \$44 million. The home heating oil business is located in New York City. The propane operations are primarily located in states adjacent to Star's existing operations, with one new territory as well.

Star Gas Partners, L.P., is a leading distributor of home heating oil, propane and deregulated natural gas and electricity serving approximately 705,000 customers. Through its wholly owned Petro subsidiary, Star is the nation's largest retail distributor of home heating oil, serving approximately 385,000 customers in the Northeast and Mid-Atlantic. Star is the nation's seventh largest retail propane distributor, serving approximately 210,000 customers throughout the Midwest and Northeast. Star owns a controlling 72.7% interest in Total Gas and Electric, which sells natural gas and electricity to approximately 110,000 customers in the Northeast and Mid Atlantic.

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.