



October 23, 2006

STAR GAS PARTNERS, L.P. REPORTS COMPLETION OF NOL REVIEW WITH NO CHANGE IN AVAILABILITY OF NOLs

STAMFORD, CT (October 23, 2006) -- Star Gas Partners, L.P. (the "Partnership" or "Star") (NYSE: SGU), a home energy distributor and services provider specializing in heating oil, today announced that following an evaluation, the Partnership has determined that the issuance of units in its April 2006 recapitalization likely did not result in an "ownership change" of its corporate subsidiary, Star/Petro, Inc. ("Star/Petro") under Section 382 of the Internal Revenue Code of 1986, as amended ("Tax Code"). As a result, Star/Petro should continue to be able to utilize its net operating loss carryforwards ("NOLs") without further limitation to offset any future taxable income.

As of the calendar tax year ended December 31, 2005, Star/Petro had a federal NOL of approximately \$168.0 million, of which approximately \$48 million is limited in accordance with Federal income tax law as a result of transactions prior to the April 2006 recapitalization. The NOLs will expire between 2018 and 2024 and are generally available to offset any future taxable income. The determination of whether or not an ownership change under Section 382 has occurred requires that the Partnership evaluate certain acquisitions and dispositions of units that have occurred over a rolling three-year period. As a result, future acquisitions and dispositions of units could result in an ownership change of Star/Petro under the Tax Code. Star/Petro's ability to continue to benefit from its NOLs may increase the ability of Star/Petro to make distributions to the Partnership.

Star Gas Partners, L.P., is the nation's largest retail distributor of home heating oil. Additional information is available by obtaining the Partnership's SEC filings and by visiting Star's website at www.star-gas.com.

Forward Looking Information

This news release includes "forward-looking statements" which represent the Partnership's expectations or beliefs concerning future events that involve risks and uncertainties, including those associated with the effect of weather conditions on our financial performance; the price and supply of home heating oil; the consumption patterns of our customers; our ability to obtain satisfactory gross profit margins; our ability to obtain new customers and retain existing customers; our ability to effect strategic acquisitions or redeploy underperforming assets; the impact of litigation; the ongoing impact of the business process redesign project at the heating oil segment and our ability to address issues related to that project; natural gas conversions; future union relations and the outcome of current and future union negotiations; the impact of current and future environmental, health and safety regulations; customer creditworthiness; and marketing plans. All statements other than statements of historical facts included in this news release are forward-looking statements. Although the Partnership believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. Important factors that could cause actual results to differ materially from the Partnership's expectations ("Cautionary Statements") are disclosed in this news release and in the Partnership's Annual Report on Form 10-K/A for the year ended September 30, 2005 and its Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2006, including without limitation and in conjunction with the forward-looking statements included in this news release. All subsequent written and oral forward-looking statements attributable to the Partnership or persons acting on its behalf are expressly qualified in their entirety by the Cautionary Statements. Unless otherwise required by law, the Partnership undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise after the date of this news release.

CONTACT:
Star Gas Partners
Investor Relations
203/328-7310

Robert Rinderman, Steven Hecht
Jaffoni & Collins Incorporated
212/835-8500 or SGU@jcir.com