November 26, 2002

STAR GAS PARTNERS, L.P. REPORTS FISCAL 2002 FOURTH QUARTER AND YEAR-END RESULTS AND ANNOUNCES FOUR ACQUISITIONS

STAMFORD, CT (November 26, 2002) -- Star Gas Partners, L.P. (the “Partnership” or “Star”) (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 fourth quarter and year ended September 30, 2002. In addition, Star reported the purchase of four heating oil and propane companies since July 1, 2002, and a total of twelve acquisitions providing an additional 34,000 customers for all of fiscal 2002.

For the fiscal 2002 fourth quarter ended September 30, 2002, volume grew 12.5% due to the Partnership’s acquisition program, and net loss per Limited Partner unit improved 22% compared to the same period in the prior year. The fiscal fourth quarter is a non-heating season period when summer operating losses generally increase as the Partnership grows. Notwithstanding this seasonality, Star’s EBITDA improved $1.3 million, due to a 2.3 cent per gallon improvement in gross profit margins and $4.7 million of expense and revenue improvements, offsetting increased insurance and business process reengineering expenses.

The fourth quarter seasonal net loss improved $0.48 per Limited Partner unit from a loss of $2.18 per Limited Partner unit for the three months ended September 30, 2001, to a loss of $1.70 per unit in the same period in fiscal 2002. This significant improvement was primarily the result of an increased number of units outstanding in a loss period and to a lesser extent from the impact of the reduced EBITDA loss.

Despite the abnormally warm weather, for the twelve-month period ended September 30, 2002, volume grew 6% compared to fiscal 2001, due to Star’s acquisition program, which increased volume by 24%, offset by abnormal weather that was 18% warmer than the same period a year ago. In addition, the unprecedented weather during the fiscal 2002 heating season was the warmest in 107 years, and temperatures were 6% higher than the next warmest heating season in the century. These conditions were especially pronounced in Star’s markets, which experienced the warmest conditions in the nation.

Despite the weather, EBITDA declined only 3.2% from $85.0 million to $82.3 million, as the Partnership offset the gross profit weather impact by reducing operating expenses and increasing gross profit margins in addition to receiving $7.1 million of net proceeds from weather insurance. The incremental EBITDA generated from the Partnership’s acquisition program was also a major reason for the slight decline as compared to the prior year.

In Fiscal 2002, Star reported a $0.38 net loss per Limited Partner unit, compared to a $0.23 net loss per Limited Partner unit in fiscal 2001. This increase in Star’s net loss, considering the impact of the extraordinary warm weather conditions, was due to the accretive benefits of Star’s acquisition program, as well as an increased number of units outstanding, which in combination largely offset the effect of the extraordinary weather.

In commenting on Star’s operating performance, Chairman Irik P. Sevin indicated, “The Partnership's 12.5% quarterly volume increase underscores the impact of our disciplined acquisition program, which on an annual basis, helped drive a 37% increase in EBITDA, and contributed approximately $0.40 per Limited Partner unit in accretion. We also achieved noteworthy success with our base business operating improvement program, which resulted in expense reductions this past winter, as well as a number of other initiatives that reduced costs and increased operating income at Star's base business.

"While growth is an important element of our strategy, as a Master Limited Partnership, we must maintain the stability of our cash flow for the benefit of our unitholders, and we believe weather insurance is an important part of that program. With that in mind, in August 2002, the Partnership announced the purchase of $20.0 million of weather insurance for the 2002 – 2003 heating season, as well as a base of $12.5 million of insurance for each year from 2004 – 2007. We are very pleased that weather in October and November to date has been relatively cool in our operating regions, but we still believe that weather insurance should be part of our long-term strategy for cash flow stabilization.

"Although we are disappointed with the effects the unprecedented weather had on our fiscal 2002 operating results, we are very pleased with our ability to cut the weather’s impact on our results in half and the very positive results of our disciplined acquisition program. In addition, we are also pleased with the continuing progress our heating oil division’s business process improvement task force has made on capitalizing on our unique size in the home heating oil industry to operate more cost effectively and with greater customer sensitivity as well as with the consistent growth in our propane division, in which EBITDA, net income and distributable cash flow all grew in spite of the weather, making it an outstanding performer among its peer group."

Mr. Sevin further commented, "We believe Star's strategy of maintaining a balanced capital structure is in the long-term interest of our unitholders. With that in mind, we successfully completed three equity issues during fiscal 2002, enabling us to fund acquisitions, reduce debt and maintain our investment grade BBB credit rating from Fitch Investors Services."

Star Gas Partners, L.P., is a leading distributor of home heating oil, propane and deregulated natural gas and electricity. The Partnership 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 AND OTHER DATA
(in thousands, except per unit data)

	Fiscal Years Ended September 30,	
	2002	2001
Sales	$ 1,025,058	$1,085,973
Costs and expenses:		
Cost of sales	661,978	771,317
Operating expenses	276,479	239,145
Depreciation and amortization	59,049	44,396
TG & E customer acquisition expense	1,228	1,868
Operating income	26,324	29,247
Interest expense, net	37,502	33,727
Amortization of debt issuance costs	1,447	737
Loss before income taxes and cumulative change in accounting principle	(12,625)	(5,217)
Income tax expense (benefit)	(1,456)	1,498
Loss before cumulative change in accounting principle	(11,169)	(6,715)
Cumulative effect of change in accounting principle for adoption of SFAS No. 133, net of income taxes	-	1,466
Net loss	$ (11,169)	$ (5,249)
General Partner's interest in net loss	$ (116)	$ (75)
Limited Partners' interest in net loss	$ (11,053)	$ (5,174)
Basic and diluted net loss per limited partner unit	$ (0.38)	$ (0.23)
Weighted average number of Limited Partner units outstanding	28,790	22,439
Supplementary Unaudited Data:		
Retail propane gallons sold	140,324	137,031
Home heating oil gallons sold	457,749	427,168
	598,073	564,199
Distributable Cash Flow:		
EBITDA (a)	$ 82,325	$ 85,004
Less:		
Interest expense, net	(37,502)	(33,727)
Maintenance capital expenditures	(5,435) (b)	(4,742)
Income tax (expense) benefit	1,456	(1,498)
Distributable Cash Flow	$ 40,844	$ 45,037

(a) EBITDA is defined as operating income (loss) plus depreciation and amortization expense, 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. The definition of EBITDA set forth above may be different from that used by other companies. EBITDA is calculated as follows:

Operating income	$ 26,324	$ 29,247
Plus:		
Depreciation and amortization	59,049	44,396
TG&E customer acquisition expense	1,228	1,868
Unit compensation expense	367	3,315
Net (gain)loss on sales of fixed assets	336	26
Impact of SFAS No. 133	(4,979)	6,152

EBITDA	$ 82,325	$ 85,004

(b) For the fiscal year ended September 30, 2002, maintenance capital expenditures includes $1.0 million of TG&E customer acquisition expense.

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

	Three Months Ended September 30,	
	2002	2001
Sales	$ 138,825	$ 125,970
Costs and expenses:		
Cost of sales	98,737	98,776
Operating expenses	68,062	60,377
Depreciation and amortization	15,010	13,346
TG & E customer acquisition expense	472	(28)
Operating loss	(43,456)	(46,501)
Interest expense, net	8,833	8,720
Amortization of debt issuance costs	411	280
Loss before income taxes	(52,700)	(55,501)
Income tax expense (benefit)	251	(255)
Net loss	$ (52,951)	$ (55,246)
General Partner's interest in net loss	$ (606)	$ (820)
Limited Partners' interest in net loss	$ (52,345)	$ (54,426)
Basic and diluted net loss per limited partner unit	$ (1.70)	$ (2.18)
Weighted average number of Limited Partner units outstanding	30,762	24,917
Supplementary Data:		
Retail propane gallons sold	21,930	21,285
Home heating oil gallons sold	38,574	32,520
	60,504	53,805
Distributable Cash Flow:		
EBITDA (a)	$ (27,628)	$ (28,929)
Less:		
Interest expense, net	(8,833)	(8,720)
Maintenance capital expenditures	(1,667) (b)	(2,830)
Income tax (expense) benefit	(251)	255
Distributable Cash Flow	$ (38,379)	$ (40,224)

(a) EBITDA is defined as operating income (loss) plus depreciation and amortization expense, 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. The definition of EBITDA set forth above may be different from that used by other companies. EBITDA is calculated as follows:

Operating loss	$ (43,456)	$ (46,501)
Plus:		
Depreciation and amortization	15,010	13,346
TG&E customer acquisition expense	472	(28)
Unit compensation expense	129	1,324
Net (gain) loss on sales of fixed assets	155	47
Impact of SFAS No. 133	62	2,883
EBITDA	$ (27,628)	$ (28,929)

(b) For the three months ended September 30, 2002, maintenance capital expenditures includes $0.3 million of TG&E customer acquisition expense.