January 21, 2003

STAR GAS PARTNERS, L.P. REPORTS RECORD 2003 FIRST QUARTER RESULTS ANNOUNCES FIRST QUARTER DISTRIBUTION

STAMFORD, CT (January 21, 2003) -- 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 record results for the fiscal 2003 first quarter ended December 31, 2002. Star also declared its $0.575 per unit Minimum Quarterly Distribution on its Common Units (SGU) and a $0.25 per unit distribution on its Senior Subordinated Units (SGH) for the quarter ended December 31, 2002, payable on February 14, 2003 to unitholders of record on February 7, 2003.

For the three months ended December 31, 2002, Star's sales increased 34.5% to a record $385 million, from $286 million in the first quarter of fiscal 2002. Net income for the period increased to $16.0 million. Excluding the cumulative effect of the change in accounting principle for the adoption of SFAS No.142 relating to accounting for goodwill and other intangibles, net income increased 73% to a record $19.9 million, from $11.5 million in the first quarter of fiscal 2002. Diluted net income per limited partner unit increased to $0.49 per limited partner unit. Excluding the cumulative effect of the change in accounting principle for the adoption of SFAS No 142, net income per unit increased 45.2%, or $0.19 per unit to $0.61 per unit, versus $0.42 per unit in the comparable period in fiscal 2002.

Operating Income for the three months ended December 31, 2002 increased 33.1% to $29.4 million, from $22.1 million in the fiscal 2002 first quarter. The Partnership's strong operating performance was primarily due to the impact on volume of 35% colder than prior year temperatures, 2.0 cents per gallon improved gross profit margins, a 16.0% decline in per unit operating costs as well as the contributions from the 14 acquisitions made since October 1, 2001. These factors were partially offset, however, by the inter-quarter impact of SFAS No.133 related to the accounting for inventory risk management activities. This accounting statement had a $6.2 million positive effect in the first quarter of fiscal 2002, but a $2.6 million negative impact in the same period in fiscal 2003. In addition, the quarterly increase was mitigated by a) a rescheduling of the home heating oil segment's fuel deliveries, which, while improving efficiency, reduced first quarter volume and, b) the impact of weather insurance, which provided the Partnership with $7.0 million of proceeds in the warm first quarter of fiscal 2002. EBITDA for the three months ended December 31, 2002 increased to $42.3 million from $36.6 million in the fiscal 2002 first quarter, without adjusting for the effect of SFAS No. 133.

As a Master Limited Partnership, cash distributions to limited partners are largely determined based on Distributable Cash Flow ("DCF"). For the three months ended December 31, 2002, DCF increased 75.6% or $14.7 million to $34.2 million from $19.5 million in the comparable fiscal 2002 period. This DCF increase was primarily attributable to the improvement in Star's operating performance as well as its lower interest expense.

In commenting on Star's strong fiscal first quarter performance, Chairman Irik P. Sevin indicated: "We are extremely pleased with this quarter's results. While last year's very warm conditions make comparisons easy, it is gratifying that the Partnership was able to translate the colder temperatures into very attractive financial results. It is worth noting that while weather was significantly colder than last year, the quarter's temperatures were only 7.5% colder than normal.

"In addition to the favorable weather conditions at the start of the heating season, we are especially pleased with Star's excellent underlying fundamental business performance this past quarter. First, the Partnership was able to continue to improve gross profit margins despite the impact on consumers of generally higher energy costs and the cold weather. Second, Star continued to realize significant operating expense improvements. The cost savings measures instituted in reaction to last year's aberrational warm weather have been sustained and the heating oil segment is beginning to achieve very tangible benefits from its Business Process Improvement Program, demonstrated by the success of its oil delivery scheduling initiative. Third, Star's internal marketing programs and customer-oriented philosophy have resulted in the colder temperatures being translated commensurately into significantly higher volumes. Fourth, the Partnership's disciplined acquisition program continued to positively impact both operating profits and be DCF accretive."

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)
(Unaudited)

	Three Months Ended December 31,	
	2001	**2002**
Sales	$286,223	$384,980
Costs and expenses:		
Cost of sales	184,247	255,347
Operating expenses	65,146	86,749
Depreciation and amortization	14,503	12,848
TG & E customer acquisition expense	221	614
Operating income	22,106	29,422
Interest expense, net	10,144	8,370
Amortization of debt issuance costs	312	437
Income before income taxes and cumulative effect of change in accounting principle	11,650	20,615
Income tax expense	147	675
Income before cumulative effect of change in accounting principle	11,503	19,940
Cumulative effect of change in accounting principle for adoption of SFAS No. 142	-	(3,901)
Net income	$ 11,503	$ 16,039
General Partner's interest in net income	$ 139	$ 159
Limited Partners' interest in net income	$ 11,364	$ 15,880
Basic and diluted net income per limited partner unit	$ 0.42	$ 0.49
Basic weighted average number of Limited Partner units outstanding	26,760	32,449
Diluted number of Limited Partner units	26,988	32,564
Supplementary Data:		
Retail propane gallons sold	39,689	52,617
Home heating oil gallons sold	131,059	167,390
Total gallons sold	170,748	220,007
EBITDA (a)	$ 36,609	$ 42,270
Distributable Cash Flow:		
Net income	$ 11,503	$ 16,039
Plus:		
Cumulative effect of change in accounting principle	-	3,901
Amortization of debt issuance costs	312	437
Depreciation and amortization	14,503	12,848
Unit compensation expense (b)	640	471
Impact of SFAS No. 133	(6,191)	2,643
Maintenance capital expenditures	(1,285)	(2,135)
Distributable Cash Flow	$ 19,482	$ 34,204

(a) EBITDA is defined as operating income plus depreciation and amortization expense. 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 on 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	$ 22,106	$ 29,422
Plus: Depreciation and Amortization	14,503	12,848
	$ 36,609	$ 42,270

(b) Unit compensation expense represents an accrual for compensation earned with respect to unit appreciation rights previously granted to officers, directors and employees.

STAR GAS PARTNERS, L.P. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	September 30, 2002	December 31, 2002 (unaudited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 61,481	$ 10,524
Receivables, net of allowance of $8,282 and $9,683, respectively	83,452	170,838
Inventories	39,453	55,137
Prepaid expenses and other current assets	37,815	33,950
Total current assets	222,201	270,449
Property and equipment, net of accumulated depreciation of $89,270 and $95,094, respectively	241,892	240,734
Long-term portion of accounts receivables	6,672	7,232
Goodwill	264,551	260,650
Intangibles, net of accumulated amortization of $76,257 and $82,887, respectively	193,370	186,845
Deferred charges and other assets, net	15,080	9,041
Total Assets	$943,766	$974,951
LIABILITIES AND PARTNERS' CAPITAL		
Current liabilities		
Accounts payable	$ 20,360	$ 50,272
Working capital facility borrowings	26,195	92,000
Current maturities of long-term debt	72,113	29,467
Accrued expenses	69,444	73,148
Unearned service contract revenue	30,549	34,377
Customer credit balances	70,583	49,068
Total current liabilities	289,244	328,332
Long-term debt	396,733	386,336
Other long-term liabilities	25,525	28,477
Partners' capital		
Common unitholders	242,696	240,317
Subordinated unitholders	3,105	4,387
General partner	(2,710)	(2,551)
Accumulated other comprehensive loss	(10,827)	(10,347)
Total Partners' capital	232,264	231,806
Total Liabilities and Partners' Capital	$943,766	$974,951