



Contact: Jon F. Weber
(914) 242-7700

FOR IMMEDIATE RELEASE

AMERICAN REAL ESTATE PARTNERS, L.P. ANNOUNCES SIGNING OF CREDIT AGREEMENT BY AREP OIL & GAS LLC

MOUNT KISCO, NY — December 22, 2005 — American Real Estate Partners, L.P. ("AREP") (NYSE:ACP) today announced that its wholly owned subsidiary AREP Oil and Gas, LLC entered into a credit agreement with Citicorp USA, Inc., as administrative agent, and Bears Stearns Corporate Lending Inc. as syndication agents, pursuant to which AREP Oil & Gas will be permitted to borrow up to \$335 million. The credit agreement is secured by substantially all the assets of AREP Oil & Gas and its subsidiaries, has a five-year term and permits payments and reborrowings, subject to a borrowing base calculated based on the proved oil and gas reserves of AREP Oil & Gas and its subsidiaries.

AREP Oil & Gas will use the proceeds of the initial \$300 million funding to (i) purchase the existing obligations of its indirect subsidiary, NEG Operating, LLC, from the lenders under NEG's credit facility with Mizuho Corporate Bank, Ltd., as administrative agent, (ii) to permit its subsidiary, National Onshore, L.P., to repay a loan of approximately \$85 million from American Real Estate Holdings Limited Partnership, (iii) to pay a dividend or distribution to AREH or a subsidiary of AREH in the amount of up to \$80 million, (iv) to pay transaction costs and (v) to finance capital expenditures and working capital needs.

The preceding is a brief summary of certain provisions of the credit agreement, the full text of which is being filed with the SEC as an exhibit to Form 8-K filings by AREP. Reference is made to such filings for a more detailed description of the transactions.

American Real Estate Partners, L.P., a master limited partnership, is a diversified holding company engaged in a variety of businesses. AREP's businesses currently include home fashion; gaming; oil and gas exploration and production; and real estate.

This release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, many of which are beyond our ability to control or predict. Forward-looking statements may be identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," or words of similar meaning and include, but are not limited to, statements about the expected future business and financial performance of AREP and its subsidiaries. Among

these risks and uncertainties are risks related to our home fashion operations, including changes in the availability and price of raw materials, changes in customer preferences and changes in transportation costs and delivery times; risks related to our casino gaming and associated hotel, restaurant and entertainment operations, including the effects of regulation, substantial competition, rising operating costs and economic downturns; risks related to oil and gas exploration and production operations, including costs of drilling, completing and operating wells and the effects of regulation; risks related to our real estate activities including the extent of any tenant bankruptcies and insolvencies, our ability to maintain tenant occupancy at current levels, our ability to obtain, at reasonable costs, adequate insurance coverage, competition for investment properties, and other risks and uncertainties detailed from time to time in our filings with the SEC. We undertake no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise.