



FOR IMMEDIATE RELEASE

American Real Estate Partners, L.P. Acquires Boardwalk Property in Atlantic City, New Jersey and American Casino and Entertainment Properties LLC Acquires Flamingo Casino in Laughlin, Nevada

Las Vegas, May 19, 2006- American Real Estate Partners, L.P. (“AREP”) (NYSE:ACP) announced today that certain of its indirect subsidiaries have acquired from Harrah’s Entertainment and certain affiliated entities the Flamingo Laughlin Hotel and Casino in Laughlin, Nevada and approximately 7.7 acres in Atlantic City, New Jersey known as the Traymore site for an aggregate purchase price of approximately \$170 million.

AREP's subsidiary, American Casino & Entertainment Properties LLC, purchased the Flamingo Laughlin, the largest hotel in Laughlin, Nevada with 1,907 rooms in two 18-story towers and a 57,000 square-foot casino. Situated on approximately 18 acres, amenities include 7 restaurants, 35,000 square-feet of meeting space and a 3,300-seat amphitheater. The property also features an outdoor pool, fitness center, lighted tennis courts and 2,420 parking spaces.

“The acquisition of the Flamingo Laughlin is a strong strategic fit with our portfolio of gaming companies. It affords us the opportunity to enter an extremely viable gaming market and extends the reach of our value-based gaming and entertainment brands,” said Richard P. Brown, chief executive officer of American Casino & Entertainment Properties LLC.

AREP's subsidiary, AREP Boardwalk Properties LLC, purchased the Traymore site, once home to the historic Traymore Hotel. The site is primarily vacant land and is situated between AREP’s Sands Hotel and Casino and the world famous Atlantic City Boardwalk. Located in the heart of Atlantic City's Casino District with extensive ocean frontage, the site is ideally located for a broad range of possible future development including hotels, casinos, and condominiums.

American Real Estate Partners, L.P., a master limited partnership, is a diversified holding company engaged in a variety of businesses including gaming, oil and gas exploration and production, real estate and home fashion. AREP's gaming holdings include, through American Casino & Entertainment Properties LLC, the Stratosphere Casino Hotel & Tower, Arizona Charlie's Decatur and Arizona Charlie's Boulder, all in Las Vegas, Nevada and through Atlantic Coast Holdings, the Sands Hotel and Casino in Atlantic City, New Jersey.

This release contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, many of which are beyond AREP's 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 AREP's 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 AREP's 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 AREP's oil and gas exploration and production operations, including costs of drilling, completing and operating wells and the effects of regulation; risks related to AREP's real estate activities, including the extent of any tenant bankruptcies and insolvencies, AREP's ability to maintain tenant occupancy at current levels, AREP's ability to obtain, at reasonable costs, adequate insurance coverage, competition for investment properties, and other risks and uncertainties detailed from time to time in AREP's filings with the Securities and Exchange Commission. AREP undertakes no obligation to publicly update or review any forward-looking information, whether as a result of new information, future developments or otherwise.

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