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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d) of the**  
**Securities Exchange Act of 1934**

**Date of Report (Date of Earliest Event Reported): February 14, 2006**

**American Real Estate Partners, L.P.**

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of  
incorporation)

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**1-9516**

(Commission File Number)

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**13-3398766**

(IRS Employer  
Identification No.)

100 South Bedford Road, Mt. Kisco, NY  
(Address of principal executive offices)

10549  
(Zip Code)

Registrant's telephone number, including area code: **(914) 242-7700**

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**N/A**

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communication pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
  - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
  - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
  - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Section 8 — Other Events**

**Item 8.01 — Other Events**

The press release dated February 14, 2006 issued by NEG, Inc., our subsidiary, is filed as Exhibit 99.1 to this report and is incorporated by reference herein.

**FORWARD-LOOKING STATEMENTS**

The foregoing 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 American Real Estate Partners, L.P. 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.

**Section 9 — Financial Statements and Exhibits**

**Item 9.01(c) Exhibits**

99.1 Press Release of NEG, Inc. issued February 14, 2006

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMERICAN REAL ESTATE PARTNERS, L.P.  
(Registrant)

By: American Property Investors, Inc., its  
general partner

By: /s/ Jon F. Weber  
Jon F. Weber  
President and Chief Financial  
Officer

Date: February 17, 2006

FOR IMMEDIATE RELEASE

**NEG, Inc. (to be renamed National Energy Group, Inc.)  
Files for Initial Public Offering**

Dallas, Texas, February 14, 2006. NEG, Inc. (to be renamed National Energy Group, Inc.) ("NEG"), a wholly-owned subsidiary of American Real Estate Partners, L.P. (NYSE: ACP) ("AREP"), announced today that it has filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission for a proposed initial public offering of its common stock. The number of shares to be offered and the price range for the offering have not yet been determined. All shares of common stock to be sold in this offering will be offered by NEG.

The offering is contingent on the closing of NEG's previously announced merger which has been approved by requisite stockholder consent, pursuant to which National Energy Group, Inc. (OTC BB: NEGLOB) will be merged with and into NEG.

The offering is being made through an underwriting syndicate led by Bear, Stearns & Co. Inc. and Citigroup Global Markets Inc., acting as joint book-running managers. When available, copies of the preliminary prospectus relating to the offering may be obtained from Bear, Stearns & Co. Inc. at 383 Madison Avenue, New York, New York 10179 or from Citigroup Global Markets Inc. at Brooklyn Army Terminal, 140 58th Street, 8<sup>th</sup> floor, Brooklyn, New York 11220. Any direct requests to Bear Stearns should be to (212) 272-2000, and any direct requests to Citigroup should be to the attention of the Prospectus Department at (718) 765-6732 or by fax at (718) 765-6734.

A registration statement relating to these securities has been filed with the Securities and Exchange Commission but has not yet become effective. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective.

**About NEG, Inc. (to be renamed National Energy Group, Inc.)**

Upon consummation of the merger and the initial public offering, NEG will acquire a managing membership interest in NEG Oil & Gas LLC, which will be its sole material asset. NEG Oil & Gas LLC currently is a wholly-owned subsidiary of AREP. NEG Oil & Gas LLC is an independent oil and gas exploration, development and production company based in Dallas, Texas. NEG Oil & Gas LLC's core areas of operations are the Val Verde and Permian Basins of West Texas, the Cotton Valley Trend in East Texas, the Gulf Coast and the Gulf of Mexico. NEG Oil & Gas LLC also owns oil and gas properties in the Anadarko and Arkoma Basins of Oklahoma and Arkansas.

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Contact:

Randall D. Cooley, Vice President, Chief Financial Officer and Treasurer

NEG, Inc.

Tel: (214) 692-9211