

CONDENSED INCOME STATEMENTS
(Cash Basis) (Unaudited)

For the Three Months Ended
January 31, 2008 January 31, 2007

German royalties received	\$ 7,215,083	\$ 8,483,387
Interest income	33,355	53,693
Trust expenses	269,113	276,894
Net income	\$ 6,979,325	\$ 8,260,186
Net income per unit	\$.76	\$.90
Distributions declared per unit	\$.76	\$.89
Units outstanding	9,190,590	9,190,590

This report may contain forward looking statements concerning business, financial performance and financial condition of the Trust. Many of these statements are based on information provided to the Trust by the operating companies or by consultants using public information sources. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those anticipated in any forward looking statements. These include uncertainties concerning levels of gas production and gas sale prices, general economic conditions and currency exchange rates. Actual results and events may vary significantly from those discussed in the forward looking statements.



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OIL ROYALTY TRUST**

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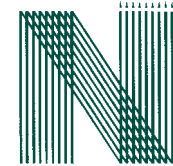
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North European Oil Royalty Trust



REPORT TO OWNERS
for the three months ended January 31, 2008

NORTH EUROPEAN OIL ROYALTY TRUST

Report to Unit Owners:

Net Trust income for the first quarter of fiscal 2008 was \$6,979,325 as compared to \$8,260,186 for the first quarter of fiscal 2007, a decrease of \$1,280,861 or 15.51%. This level of income permitted a distribution of 76 cents per unit which is being paid on February 27, 2008 to owners of record as of February 15, 2008. Gross royalty income of \$7,215,083 for the quarter ended January 31, 2008 decreased 14.95% when compared to gross royalty income of \$8,483,387 received during last year's equivalent period. This royalty income was based on sales of gas, sulfur and oil from the Trust's overriding royalty areas in Germany during the fourth calendar quarter of 2007.

The combined impact on royalty income of declines in gas sales and gas prices under both royalty agreements in comparison to the first quarter of fiscal 2007 was only partially offset by an increase in the average value of the Euro. The reduced level of royalty income resulted in the reduction in the quarterly distribution to unit owners when compared to the first quarter of fiscal 2007.

For the quarter just ended the amount of gas sold under the higher royalty rate agreement (the "Mobil Agreement") declined 18.62% to 14.251 billion cubic feet ("Bcf") from 17.512 Bcf in the first quarter of fiscal 2007. For the quarter just ended the average price of gas sold under the Mobil Agreement decreased 7.93% to 2.0876 Eurocents/Kwh ("Ecents/Kwh") from 2.2673 Ecents/Kwh in the first quarter of 2007. The combination of these two factors resulted in a decline of 24.60% in the amount of royalties in Euros received under the Mobil Agreement during the first quarter of fiscal 2008. For the quarter just ended and based on the conversion and transfer of royalties received under the Mobil Agreement, the average value of the Euro increased 12.52% to a dollar equivalent of \$1.4693. When the higher value of the Euro is used to denominate the gross royalties received

under the Mobil Agreement in dollars, the resulting amount of royalties decreased 15.16% to \$5,122,194 compared to the first quarter of fiscal 2007.

For the quarter just ended the amount of gas sold under the lower royalty rate agreement (the "OEG Agreement") declined 17.30% to 34.716 Bcf from 41.976 Bcf in the first quarter of fiscal 2007. Average gas prices under the OEG Agreement decreased 8.73% to 2.1921 Ecents/Kwh from 2.4017 Ecents/Kwh in the first quarter of 2007. The combination of these two factors resulted in a decline of 24.06% in the amount of royalties in Euros received under the OEG Agreement during the first quarter of fiscal 2008. For the quarter just ended and based on the conversion and transfer of royalties received under the OEG Agreement, the average value of the Euro increased 12.67% to a dollar equivalent of \$1.4697. When the higher value of the Euro is used to denominate the gross royalties received under the OEG Agreement in dollars, the resulting amount of royalties decreased 14.44% to \$2,092,745 compared to the first quarter of fiscal 2007.

While gas prices continued to show declines when compared to the prior year's equivalent period, gas prices have increased from their recent low point in the third quarter of fiscal 2007. From the third quarter of fiscal 2007 through the first quarter of fiscal 2008, the average prices of gas under the Mobil and OEG Agreements increased 37.71% and 16.76%, respectively.

ANNUAL MEETING REPORT

The Annual Meeting of Unit Owners was held on February 13, 2008 at the University Club in New York City. With over 87% of all units outstanding represented in person or by proxy, the five serving Trustees were re-elected. The two proposals regarding amendments to the Trust Agreement to clarify the acceptability of uncertificated or book entry units and to remove one of the provisions governing the termination of

the Trust were approved by the unit owners. Approximately 15 unit owners attended the meeting despite the poor weather and a lively discussion period followed the announcement of the first quarter's net income. I will try to summarize some of the more important topics below.

While the operating companies are continuing to explore the Carboniferous zone in the Oldenburg concession, the Trust has received reports that they have scaled back the rate of drilling from 3 or 4 wells per year to 1 or 2 wells. We understand that these wells present significant difficulties both in the depth required and the necessity of the use of horizontal deviations. Hydraulic fracturing may also be required to provide a successful rate of recovery.

One unit owner raised a question about the politicalization of Gazprom and its impact on the Trust. While the Trust does not have any information beyond public sources, Gazprom has certainly not hesitated to use all its options in dealing with the former Soviet satellite countries in eastern Europe.

Additional questions concerned the availability of periodic reports to owners and the limitations on information made available during the year by the operators. These limitations make it difficult to disseminate meaningful interim reports during the year.

Respectfully submitted,



John R. Van Kirk
Managing Director

February 20, 2008

North European Oil Royalty Trust would like to announce that the date of the 2009 meeting has been rescheduled to February 10, 2009. The dates for submission of proposals by unit owners remain as set forth in the proxy statement dated January 10, 2008.