CONDENSED INCOME STATEMENTS
(Modified Cash Basis) (Unaudited)

	For the Three Months Ended		For the Nine Months Ended	
	July 31, 2007	July 31, 2006	July 31, 2007	July 31, 2006
German royalties received	$5,402,889	$7,312,458	$21,430,819	$23,794,149
Interest income	57,459	53,882	168,362	108,578
Trust expenses	(195,843)	(225,639)	(741,048)	(754,975)
Net income	$5,264,505	$7,140,701	$20,858,133	$23,147,752
Net income per unit	$ .57	$ .78	$2.27	$2.52
Dividends and distributions per unit paid to formerly unlocated unit owners	$ .00	$ .00	$ .00	$ .02
Cash distributions declared per unit	$ .58	$ .77	$2.27	$2.50
Units outstanding	9,190,590	9,190,590	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.

NORTH EUROPEAN OIL ROYALTY TRUST

Managing Trustee
Robert P. Adelman

Trustees
Samuel M. Eisenstat
Lawrence A. Kobrin
Willard B. Taylor
Rosalie J. Wolf

Managing Director
John R. Van Kirk

Office of the Managing Director
Suite 19A
43 West Front Street
P.O. Box 456
Red Bank, N.J. 07701
Tel: (732) 741-4008
Fax: (732) 741-3140
E-Mail: jvankirk@neort.com
Website: www.neort.com

Counsel
Cahill Gordon & Reindel LLP
80 Pine Street
New York, N.Y. 10005

Auditors
Weiser LLP
135 West 50th Street
New York, N.Y. 10020

Transfer Agent
Registrar and Transfer Co.
10 Commerce Drive
Cranford, N.J. 07016
Tel: (800) 368-5948
(908) 497-2300
Website: www.rtco.com

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North European Oil Royalty Trust

REPORT TO OWNERS
for the nine months ended July 31, 2007

NORTH EUROPEAN OIL ROYALTY TRUST

Report to Unit Owners:

The distribution detailed in this report, covering the Trust's third fiscal quarter ended July 31, 2007, represents your proportionate share of the Trust net income. For the third quarter of fiscal 2007, Trust net income decreased by 26.3% to $5,264,505, which permitted a distribution of 58 cents per unit compared to the distribution of 77 cents for the prior year's period. The current distribution is being paid on August 29, 2007 to holders of record as of August 10, 2007.

Trust net income for the nine-month period ended July 31, 2007 was $20,858,133, a decrease of 9.9% from the prior year's equivalent period. Cumulative distributions for the nine-month period are $2.27 per unit compared to $2.50 paid during the same period last year. Cumulative distributions for the twelve-month period including the quarter just ended totaled $3.05 per unit.

The primary factor affecting royalty revenue for the quarter just ended was the decrease in gas prices under both the higher royalty rate agreement covering western Oldenburg (the “Mobil Agreement”) and the lower royalty rate agreement covering the entire Oldenburg concession (the “OEG Agreement”). Gas sales under the two agreements declined as well. In comparison to the third quarter of fiscal 2006, the higher value of the Euro relative to the dollar increased the number of dollars received when the royalties paid in Euros were converted to dollars at the time of their transfers to the U.S. This increase helped to reduce the impact of the lower gas prices and gas sales and partially offset the decline in royalty income.

For the quarter just ended, the average price of gas sold under the Mobil Agreement decreased 25.75% to 1.5159 Eurocents/Kwh (“Ecents/Kwh”) from 2.0417 Ecents/Kwh in the third quarter of fiscal 2006. For the same quarter and under the same agreement, gas sales decreased 8.15% to 16.177 billion cubic feet (“Bcf”) from 17.613 Bcf in the third quarter of fiscal 2006. During the quarter just ended, royalties paid under the Mobil Agreement were valued at an average Euro exchange rate of $1.3540, an increase of 7.20% from the average Euro exchange rate of $1.2631 for the third quarter of fiscal 2006. Converting the average gas prices using this average exchange rate into more familiar terms yields an average gas price under this agreement of $5.90 per thousand cubic feet (“Mcf”) compared to $7.42/Mcf for the third quarter of fiscal 2006.

If we exclude the effects of differences in prices and average exchange rates, the combination of royalty rates on gas sold from western Oldenburg results in an effective royalty rate approximately seven times higher than the royalty rate on gas sold from eastern Oldenburg. This is of particular significance to the Trust since gas sold from western Oldenburg provides the bulk of royalties paid to the Trust. For the quarter just ended gas sales from western Oldenburg accounted for only 42.6% of all gas sales. However, royalties on these gas sales provided approximately 83% or $4,507,370 out of a total of $5,438,716 in Oldenburg royalties attributable to gas.

For the quarter just ended, the average price of gas sold under the OEG Agreement decreased 14.27% to 1.8774 Ecents/Kwh from 2.1900 Ecents/Kwh in the third quarter of fiscal 2006. For the same quarter and under the same agreement, gas sales decreased 10.76% to 37.982 Bcf from 42.563 Bcf in the third quarter of fiscal 2006. During the quarter just ended, royalties paid under the OEG Agreement were valued at an average Euro exchange rate of $1.3455, an increase of 6.66% from the average Euro exchange rate of $1.2615 for the third quarter of fiscal 2006. Converting the average gas prices using this average exchange rate into more familiar terms yields an average gas price under this agreement of $7.10/Mcf compared to $7.75/Mcf for the third quarter of fiscal 2006.

Interest income was slightly higher reflecting the increased funds available for investment and the increase in interest rates applicable during the period. For the quarter just ended, Trust interest income increased 6.64% to $57,459 from $53,882 in the third quarter of fiscal 2006. Trust expenses for the third quarter of fiscal 2007 declined 13.21% or $29,796 to $195,843 in comparison to the prior year’s equivalent period. This decline resulted primarily from a drop in legal and professional expenses.

Respectfully submitted,

John R. Van Kirk
Managing Director

August 24, 2007