

NORTH EUROPEAN OIL ROYALTY TRUST
REVISED CHARTER OF AUDIT COMMITTEE OF THE TRUSTEES
[Approved December 15, 2004]

Organization

The Audit Committee (the “Committee”) of the Trustees (the “Trustees”) of North European Oil Royalty Trust (the “Trust”) shall consist of no fewer than three members. The members of the Committee shall meet the independence requirements of the New York Stock Exchange (“NYSE”), the Securities and Exchange Commission (“SEC”) and the Sarbanes-Oxley Act of 2002. Each member of the Committee must be financially literate, as such qualification is interpreted by the Trustees in their business judgment, or must become financially literate within a reasonable period of time after his/her appointment to the Committee. In addition, at least one member of the Committee must be an “audit committee financial expert” as defined by the SEC.

Committee members shall be appointed by, and may be replaced by, the Trustees. The Chairperson of the Committee shall be designated by the Trustees.

Purpose

The Committee shall assist the Trustees in their oversight of (1) the integrity of the Trust’s financial statements, (2) the Trust’s compliance with legal and regulatory requirements, (3) the independent auditor’s qualification and independence and (4) the performance of the Trust’s independent auditors.

The Committee shall prepare (or cause to be prepared) an Audit Committee report as required by the SEC to be included in the Trust’s annual proxy statement.

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Trust’s financial statements and disclosures are complete and accurate and are in accordance with applicable rules and regulations. These are the responsibilities of management and the independent auditors.

Duties and Responsibilities

Independent Auditors

1. The Committee shall be directly responsible for the appointment, compensation, retention, termination and oversight of the work of the independent auditor(s) engaged by the Trust (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purposes of preparing or issuing an audit report or performing other audit, review or attestation services for the Trust, and the independent auditor(s) shall report directly to the Committee.

2. All auditing services and non-audit services (other than the de minimus exceptions provided by the Securities Exchange Act of 1934) provided to the Trust by the independent auditors shall be pre-approved by the Committee.
3. The Committee shall review with the independent auditors, prior to their audit, the scope of their examination; review the anticipated level of non-audit services to be provided by independent auditors and consider the possible effect, if any, of these services on the independence of the independent auditors; and review with the independent auditors the estimated fees to be paid for the work performed.
4. The Committee shall evaluate the qualifications, performance and independence of the independent auditors. The Committee shall present its conclusions to the Trustees and, if determined by the Committee, recommend that the Trustees take additional action to satisfy themselves of the qualifications, performance, and independence of the auditor.
5. The Committee shall discuss with the independent auditors such matters and take such action as contemplated by Statements on Auditing Standards 61 (“SAS 61”), including discussions with respect to the independent auditors’ responsibility; significant accounting policies; proposed audit adjustments not recorded, if any; unusual transactions; significant audit adjustments; other information in documents containing audited financial statements; and any difficulties encountered in performing an audit.
6. The Committee shall, to the extent not already covered by SAS 61, review with the independent auditors any problems or difficulties encountered by the independent auditors in the course of the audit work (and management responses), including any restrictions on the scope of their activities or on access to requested information, and any significant disagreements with management.
7. The Committee shall review with the independent auditors any “management” or “internal controls” letters issued by the independent auditors to the Trust.

Financial Statement and Disclosure Matters

1. The Committee shall provide oversight of the quarterly and annual reporting of the Trust.
2. The Committee shall review and discuss with management and the independent auditors the Trust’s annual audited financial statements and quarterly financial statements, including disclosures under “Management’s Discussion and Analysis of Financial Condition and Results of Operations.”
3. The Committee shall review with management and the independent auditors major issues regarding accounting principles and financial statement presentations, including any significant changes in the Trust’s selection or application of accounting principles, any major issues as to the adequacy of the Trust’s internal controls, any special audit steps adopted in light of material control deficiencies, and the impact of the Trust’s compliance with legal and regulatory requirements on the Trust’s financial statements.

4. The Committee shall make such recommendations to the Trustees, as the Committee deems appropriate, with respect to the inclusion of the audited financial statements in the Trust's Annual Report on Form 10-K for the last fiscal year for filing with the SEC.

Other Responsibilities

1. The Committee shall establish procedures for the receipt, retention and treatment of communications or complaints received by the Trust regarding accounting, internal accounting controls or auditing matters.
2. The Committee shall have the authority to engage independent counsel and other advisers, as it determines necessary to carry out its duties. The Committee shall be entitled to appropriate funding, as determined by the Committee, for payment of (a) compensation to any independent accounting firm engaged by the Trust for the purpose of preparing or issuing an audit report or performing other audit, review or attestation services for the Trust, (b) compensation to any advisers employed by the Committee, and (c) ordinary administrative expenses of the Committee that are necessary or appropriate in carrying out its duties.
3. The Committee shall periodically review and assess compliance with all applicable rules and regulations of the SEC and the NYSE specifically applicable to the composition and responsibilities of the Committee and recommend any proposed changes to the Trustees for approval.
4. The Committee shall prepare (or cause to be prepared) an audit committee report as required by the SEC to be included in the Trust's annual proxy statement.
5. The Committee shall conduct an annual evaluation of its own performance.
6. The Committee shall perform such other activities as the Trustees may from time to time deem necessary or appropriate.