North European Oil Royalty Trust

REPORT TO OWNERS
for the six months ended April 30, 2005

NORTH EUROPEAN OIL ROYALTY TRUST

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CONDENSED INCOME STATEMENTS (Unaudited)
(Cash Basis)

	For the Three Months Ended April 30, 2005	For the Three Months Ended April 30, 2004	For the Six Months Ended April 30, 2005	For the Six Months Ended April 30, 2004
German royalties received	$6,332,292	$4,075,008	$11,487,103	$8,435,738
Interest income	10,498	4,954	15,818	11,347
Trust expenses	(205,395)	(221,273)	(530,412)	(454,283)
Net income on a cash basis	$6,137,395	$3,858,689	$10,972,509	$ 7,992,802
Net income per unit on a cash basis	$ .69	$ .43	$1.23	$ .89
Dividends and distributions per unit paid to formerly unlocated shareholders	$ .00	$ .00	$ .00	$ .00
Cash distributions declared per unit	$ .69	$ .43	$1.23	$ .89
Units outstanding	8,933,361	8,931,414	8,933,361	8,931,414

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

Report to Unit Owners:

For the second quarter of fiscal 2005, the Trust's net income was $6,137,395, a 59% increase over net income for the prior year's period. This income was derived from sales of gas, sulfur and oil from the Trust's overriding royalty areas in Germany during the first calendar quarter of 2005 but included a positive adjustment of $646,881 to account for a prior royalty underpayment. As part of their reconciliation process, the operating companies generally make adjustments for under or overpayments of the prior calendar year's royalties during the Trust's second fiscal quarter. For the quarter just ended, this adjustment accounted for 7 cents out of the total distribution of 69 cents. The Trustees have announced a distribution of 69 cents per unit payable on May 25, 2005 to owners of record as of May 13, 2005. For the six month period, the Trust's net income was $10,972,509, an increase of 37.3% from the net income for last year's equivalent period. For the six month period ended April 30, 2005 total distributions were equal to $1.23 per unit.

The amount of royalties paid to the Trust is based on four primary factors: the amount of gas sold, the price of that gas, the area from which the gas is sold and the exchange rate. For the quarter just ended the impact of the higher gas prices, higher average exchange rates and a slight increase in gas sales from the higher royalty rate area of western Oldenburg offset an overall decline in gas sales and resulted in the higher distribution payable.

Under the higher percentage royalty rate agreement covering western Oldenburg, both gas prices and gas sales increased. For the quarter just ended the average price of gas sold under this agreement increased 21.3% from 1.2583 Eurocents/Kwh ("Ecents/Kwh") to 1.5258 Ecents/Kwh. Under this agreement gas sales increased 2.1% from 17.277 billion cubic feet ("Bcf") to 17.639 Bcf compared to the second quarter of fiscal 2004. Under the lower percentage royalty rate agreement covering the entire Oldenburg concession, gas prices increased but gas sales declined. The average price of gas sold increased 26.7% from 1.2646 Ecents/Kwh to 1.6018 Ecents/Kwh. Overall gas sales declined 5.1% from 45.347 Bcf to 43.045 Bcf in comparison for the same period.

Under the higher percentage royalty rate agreement, the average value of the Euro based on the monthly transfer of royalties to the United States for the quarter just ended was $1.3029, an increase of 7.6% from $1.2106, the average value for the second quarter of fiscal 2004. Under the lower percentage royalty rate agreement, the average value of the Euro based on the monthly transfer of royalties to the United States during the quarter just ended was $1.3012, an increase of 7.5% from $1.2105, the average value for the second quarter of fiscal 2004. Converting the average gas prices using the average exchange rates for the quarter into more familiar terms yields an average gas price under the higher and lower percentage royalty rate agreements of $5.72 and $5.86 per thousand cubic feet, respectively.

REPORT ON DRILLING AND GEOPHYSICAL WORK

The Trust's German consultant, Mr. Alfred Stachel, met with representatives of the operating companies to inquire about drilling and geophysical work for 2005 and other general matters. The operating companies reported to him that the expanded drilling program is being continued with five wells (one western and four eastern) planned for calendar 2005. Processing and interpretation of earlier seismic work covering five fields is continuing. An extensive evaluation of the Carboniferous zone is being conducted with the close cooperation of ExxonMobil Houston. Initial preparation for three new drilling projects is being conducted with possible start dates in 2006. The operating companies have also scheduled the major inspection of the Grossenkneten desulfurization plant that is required every five years to carry out the certification check of the tail gas clean-up unit. The inspection will take place during the five week period from August 15 to September 21, 2005. While the plant will operate on at least a partial basis during this period, the level of through-put and the corresponding level of gas sales for the Trust's fourth fiscal quarter will be adversely affected. The following paragraph is a summary of Mr. Stachel's account of the operating companies' response to his inquiries. The Trust is not able to confirm the accuracy of any of these findings or responses. In addition, the operating companies are not obligated to take any of the actions outlined and, if they change their plans with respect to any such actions, they are not obligated to inform the Trust.

Goldenstedt Z-12a, an eastern development sour gas well, was successfully completed by the end of March as a horizontal deviation of 950 meters. The start of production is scheduled for September 2005. Drilling for Hemmelte Z-5a, a western development sour gas well, has already begun with scheduled completion in late May. Planned drilling depth is 3,820 meters with a horizontal deviation of 350 meters. The start of production is scheduled for September 2005. Doetlingen Ost Z-2, an eastern exploratory sour gas well, is scheduled to begin drilling in June with completion expected in October 2005. This well will test whether the south-eastern trend of successful wells continues in separate geological blocks. Total drilling depth of 5,000 meters is contemplated with a horizontal deviation of 400 meters. The well is considered high risk. Oythe Z-3, an eastern development sweet gas well, is scheduled to start drilling in September 2005. This well will replace another production well that suffered a casing collapse and is intended to produce from the Carboniferous zone. The fifth well, Doetlingen Z-8a, an eastern development sour gas well, is scheduled to begin drilling in December 2005 with a planned horizontal deviation of 300 meters.

Respectfully submitted,

John R. Van Kirk
Managing Director

May 16, 2005