North European Oil Royalty Trust

REPORT TO OWNERS
for the six months ended April 30, 2006

CONDENSED INCOME STATEMENTS
(Cash Basis) (Unaudited)

	For the Three Months Ended April 30, 2006	For the Three Months Ended April 30, 2005	For the Six Months Ended April 30, 2006	For the Six Months Ended April 30, 2005
German royalties received	$8,297,022	$6,332,292	$16,481,691	$11,487,103
Interest income	32,663	10,498	54,696	15,818
Trust expenses	(267,243)	(205,395)	(529,336)	(530,412)
Net income on a cash basis	$8,062,442	$6,137,395	$16,007,051	$10,972,509
Net income per unit on a cash basis	$ .88	$ .69	$1.74	$1.23
Dividends and distributions per unit paid to formerly unlocated shareholders	$ .00	$ .00	$ .02	$ .00
Cash distributions declared per unit	$ .88	$ .69	$1.73	$1.23
Units outstanding	9,190,590	8,933,361	9,190,590	8,933,361

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.

NRT
LISTED
NYSE

NORTH EUROPEAN OIL ROYALTY TRUST

Office of the Managing Trustee and 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: neort@aol.com
Website: www.neort.com

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

Auditors
Ernst & Young LLP
5 Times Square
New York, N.Y. 10036

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

NORTH EUROPEAN OIL ROYALTY TRUST

Report to Unit Owners:

For the second quarter of fiscal 2006, the Trust's net income was $8,062,442, a 31.4% 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 2006. The Trustees have announced a distribution of 88 cents per unit payable on May 31, 2006 to owners of record as of May 12, 2006. For the six month period, the Trust's net income was $16,007,051, an increase of 45.9% from the net income for last year's equivalent period. For the six month period ended April 30, 2006 total distributions were equal to $1.73 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 second quarter of fiscal 2006 a combination of higher gas prices and higher gas sales under both the higher and lower royalty rate agreements easily offset the slight decline in average exchange rates and resulted in the higher distribution payable.

For the quarter just ended, under the higher percentage royalty rate agreement covering the western portion of the Oldenburg concession, gas sales increased 7.8% from 17.639 billion cubic feet ("Bcf") to 19.016 Bcf. Under the same agreement the average gas price increased 49.1% from 1.5258 Eurocents/Kwh ("Ecents/Kwh") to 2.2743 Ecents/Kwh. For the quarter just ended, under the lower percentage royalty rate agreement covering the entire Oldenburg concession, gas sales increased 8.7% from 43.045 Bcf to 46.775 Bcf. Under the same agreement the average gas price increased 44.1% from 1.6018 Ecents/Kwh to 2.3088 Ecents/Kwh.

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 $1.2097, a decrease of 7.2% from $1.3029, the average value for the second quarter of fiscal 2005. 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 $1.2108, a decrease of 6.9% from $1.3012, the average value for the second quarter of fiscal 2005. 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 $7.91 and $7.84 per thousand cubic feet ("Mcf"), respectively, compared to $5.72/Mcf and $5.86/Mcf, respectively, for the second quarter of fiscal 2005.

REPORT ON DRILLING AND GEOPHYSICAL WORK

The Trust's German consultant, Alfred Stachel, met with representatives of the operating companies to inquire about planned and proposed drilling and geophysical work for 2006 and 2007 and other general matters. The following is a summary of Mr. Stachel's account of the operating companies' responses 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.

The Grossenkneten desulfurization plant is scheduled to undergo maintenance during the period from June 15 to July 10, 2006. During this period the operating companies expect a 20% reduction in capacity.

The operating companies reported to Mr. Stachel that the expanded drilling program is being continued with four wells (all located in eastern Oldenburg) planned for calendar 2006. Oythe A-3a, a horizontal deviation, was drilled to exploit the tight Carboniferous gas zone. The Carboniferous zone is a sweet gas zone located below the Zechstein (sour gas) zone. Drilling was completed in February 2006 and the well is currently undergoing fracturing treatments to increase productivity. Actual production is scheduled to start in June 2006. Doetlingen Z-8a, a horizontal deviation, was completed in February 2006 and is scheduled to enter production in June 2006. The horizontal deviation Goldenstadt Z-10a was cancelled but Goldenstadt Z-7a will replace it. This well and another, Varnhorn Z-7a, are also horizontal deviations and are intended to exploit the Carboniferous zone. Drilling for these two wells is not scheduled to begin until the fourth quarter of calendar 2006. In conjunction with the ongoing and extensive evaluation of the Carboniferous zone, the actual experience gained by the operating companies from the exploitation of this zone should permit them to fine-tune the drilling and fracturing methods to derive the greatest benefit. Additionally, an analysis of the correspondence between the results from current drilling efforts and the interpretation of seismic data that lead to that drilling, should allow better interpretation of the seismic data from other areas. The processing and interpretation of earlier seismic work covering the Quadmoor, Rechterfeld, Sagermeer and Goldenstedt fields is continuing. This work provides detailed information regarding depth and direction to fully exploit available reserves within these fields through further drilling, both infill and horizontal.

Preliminary well planning has begun for four drilling projects scheduled for 2007. Hemmelte NW Z-1, an exploratory well, is the only well planned for the western half of Oldenburg. Quadmoor Z-5 is an infill well intended to exploit the sour gas bearing Zechstein zone within an existing field. Goldenstedt Z-20a, a horizontal deviation, replaces the previously cancelled Goldenstedt Z-10a and will exploit the sour gas bearing Zechstein zone. The final well, Goldenstedt Z-23a, is a horizontal deviation intended to exploit the Carboniferous zone. No start times for the 2007 drilling projects have been announced.

Respectfully submitted,

John R. Van Kirk
Managing Director

May 12, 2006