

NORTH EUROPEAN OIL ROYALTY TRUST

Code of Conduct and Business Ethics

[Approved December 1, 2011]

INTRODUCTION

NORTH EUROPEAN OIL ROYALTY TRUST (the “Trust”) and its Trustees (the “Trustees”) have a strong commitment to business ethics and to complying with the laws that govern the conduct of the Trust worldwide. To implement this commitment, the Trustees have developed this Code of Conduct and Business Ethics (the “Code”).

The Code applies to all employees, Trustees, officers, agents and consultants (together, “covered persons”) of the Trust. The Chairman of the Audit Committee of the Trustees serves as a compliance contact for any violation related to the Code (the “Compliance Director”), and the Trust will not allow retaliation for reports made in good faith. Any waiver of the Code may be made only by the Trustees.

The Code is available in printed form and every covered person must read and understand the Code and provide an annual certification that they have read and understand and have complied with the Code.

THE CODE

A. CONDUCT AND DISCIPLINE

The Trust’s objective is to maintain a creative, productive and positive work environment. In order to provide such an environment (and also to comply with laws applicable to the Trust and ensure our ability to provide high quality services to the unit owners), the Trustees have adopted this Code, which establishes rules and standards regarding covered person behavior and performance and constitutes a part of the terms and conditions of employment of each employee of the Trust.

B. CONFLICT OF INTEREST/CORPORATE OPPORTUNITIES

An actual or potential conflict of interest occurs when a covered person is in a position to influence a decision that may result in a personal gain for that covered person or for a relative as a result of the Trust’s business dealings. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the covered person is similar to that of persons who are related by blood or marriage. Personal gain may result not only in cases where a covered person or relative has a significant ownership in a firm with which the Trust does business, but also when a covered person or relative receives any kickback, bribe,

substantial gift, or special consideration as a result of any transaction or business dealings involving the Trust.

Full-time employees have a primary, professional obligation and duty to the Trust. Therefore, all full-time employees should keep any outside activity (such as self-employment) totally separate from employment with the Trust. Full-time employees are expected to devote the use of the Trust's time working on behalf of the Trust. No outside activities should involve the use of the Trust's time, name, influence, assets, funds, materials, facilities or other covered persons.

Covered persons are prohibited from (i) taking for themselves personally opportunities that are discovered through the use of Trust property, information or position, (ii) using Trust property, information, or position for improper personal gain and (iii) competing with the Trust. Covered persons owe a duty to the Trust to advance its legitimate interests when the opportunity to do so arises.

C. CONFIDENTIALITY

All covered persons are required to keep all confidential information (as described below) confidential during their employment or involvement with the Trust as well as thereafter, and not to use, disclose or communicate that confidential information other than as a covered person.

The use of the term "confidential information" includes information in whatever form regarding the business, accounts, finances, trading, planning, software or know-how of the Trust. It also includes such information designated by the Trust as confidential or information that a covered person is aware is subject to an obligation of confidentiality. Trust records, reports, data, software and documents are confidential and covered persons are not permitted to disclose or release them to persons who are not covered persons of the Trust, remove them or make copies of them, in whole or in part, without prior written approval of your supervisor.

Except as required in the performance of a covered person's duties, or if required by law after consulting with the Trust's Compliance Director, covered persons should not discuss Trust business with anyone who does not work for the Trust. Furthermore, covered persons should refrain from discussing or disclosing confidential information while in any non-private setting.

D. FAIR DEALING

Each covered person is required to deal fairly with all persons engaged in business with the Trust. No covered person may take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

E. CORPORATE COMMUNICATIONS POLICY

The Trust strives to be consistent in its communications with others. To achieve this goal, all contact with investors, analysts and members of the media should be handled by the

Managing Director or his designee. Covered persons of the Trust should direct any and all inquiries from investors, analysts or members of the media, including requests for information and interviews, to the Managing Director. All inquiries from regulatory authorities or government representatives should be referred either to the Managing Director or the Audit Committee Chairman.

F. DRUGS AND ALCOHOL

The Trust prohibits the unauthorized use of alcoholic beverages while on Trust premises, on Trust time, or reporting for work while under the influence of alcohol. Likewise, the Trust prohibits the unlawful possession, manufacture, sale, distribution or use of a controlled substance, or reporting for work while under the influence of such a substance, other than medically prescribed drugs. This policy also requires that the Trust abide by applicable laws and regulations relative to the use of alcohol or other controlled substances.

G. POLICY AGAINST DISCRIMINATION

The Trust prohibits discrimination against any covered person or prospective covered person on the basis of sex, race, color, age, religion, sexual preference, marital status, national origin, disability, ancestry, political opinion or any other basis prohibited by the laws that govern our operations.

H. POLICY AGAINST HARASSMENT

The Trust prohibits all forms of unlawful harassment. The Trust expects all personnel to adhere to a simple standard, namely, that all covered persons must be treated with respect. The Trust will vigorously enforce its policy regarding harassment. All covered persons are expected to understand what constitutes harassment and accordingly avoid behavior or situations which could have even the appearance of or be interpreted as harassment of another person. Examples include derogatory comments based on racial or ethnic characteristics and unwelcome sexual advances.

I. ELECTRONIC COMMUNICATION

Electronic communications include all aspects of voice, video, and data communications, such as voice mail, e-mail, fax, and Internet. Covered persons should use electronic communications primarily for business purposes. Occasional personal use is permitted so long as such use does not interfere with the Trust's needs and operations, is not for personal gain or for any other improper purpose and does not otherwise violate this Code. Among other things, covered persons should not participate in any online forum where the business of the Trust or its unit owners or suppliers is discussed: this may give rise to a violation of the Trust's confidentiality policy or subject the Trust to legal action for defamation. The Trust reserves the right to inspect all electronic communications involving the use of the Trust's equipment, software, systems, or other facilities ("Systems") and covered persons should not have an expectation of privacy when using Trust Systems.

J. PROPER USE OF TRUST ASSETS

Every covered person must safeguard the Trust's property from loss or theft, and may not use or take such property for personal use. All Trust assets should be used for legitimate business purposes.

K. INTEGRITY OF RECORDS AND ACCOUNTING

Accuracy and reliability in the preparation of all business records is mandated by law and is of critical importance to the Trust's decision-making process and to the proper discharge of the Trust's financial, legal and reporting obligations. The books and records provisions of the U.S. Foreign Corrupt Practices Act (the "FCPA") and other applicable laws require the Trust to maintain accurate books and records and to devise an adequate system of internal controls. Such laws may provide for criminal and civil penalties for violations of these requirements.

All business records, expense accounts, vouchers, bills, payrolls, service records, reports to government agencies and other reports must accurately reflect the facts. All corporate funds and assets must be recorded in accordance with Trust procedures. The books and records of the Trust must be prepared with care and honesty and must accurately reflect each transaction recorded therein. It is the Trust's policy that all transactions will be recorded promptly and documented properly and accurately on the books of the Trust. False or misleading entries in such records are unlawful and are not permitted. No undisclosed or unrecorded funds or assets shall be established for any purpose.

L. ENTERTAINMENT, GIFTS AND PAYMENTS

The payment of Trust funds to any covered person or representative of any customer or supplier in order to obtain any benefit is strictly prohibited. Covered persons shall not seek or accept any personal gifts, payments, fees, services, valuable privileges, vacations, or pleasure trips without a business purpose, or loans from any person or business organization that does or seeks to do business with, or is a competitor of, the Trust. No covered person shall accept anything of value in exchange for referring business opportunities to another business.

Gifts or entertainment of nominal value motivated by commonly accepted business courtesies may be offered or accepted, but not if such gifts or entertainment would reasonably be expected to cause favoritism or a sense of obligation to the donor.

M. TRADING IN TRUST UNITS

While the Trust encourages its covered persons to own units of beneficial interest in the Trust, and thus indicate their commitment to the long term prospects of the Trust, such ownership is subject to restrictions imposed by the Rules of the Securities and Exchange Commission and of the New York Stock Exchange, as well as the Trust's Insider Trading Policy. No covered person may purchase or sell units without coordination with and permission of the Compliance Officer for the Trust. At the present time, the Managing Director is designated as the Compliance Officer (except for his own trades for which the Chairman of the Audit

Committee is so designated). No covered person may engage in short selling transaction for units of the Trust.

N. RELATED PERSON TRANSACTIONS

The Trust recognizes that Related Person Transactions (as defined below) may raise questions among unit owners as to whether those transactions are consistent with the best interests of the Trust and its unit owners. It is the Trust's policy to enter into or ratify Related Person Transactions only when the Trustees determine that the Related Person Transaction in question is in, or is not inconsistent with, the best interests of the Trust and its unit owners. In making such determinations, the Trustees shall consider all of the relevant facts and circumstances available to the Trustees, including (if applicable): the benefits to the Trust; the impact on a Trustee's independence; the availability of other sources for comparable products or services; the terms of the transaction; and the terms available to unrelated third parties or to covered persons generally. No Trustee shall participate in any review, consideration or approval of any Related Person Transaction with respect to which such Trustee or any of his or her immediate family members is the Related Person.

A "Related Person Transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which the Trust was, is or will be a participant, and in which any Related Person had, has or will have a direct or indirect material interest.

A "Related Person" means (1) any person who is, or at any time since the beginning of the Trust's last fiscal year was, a Trustee or executive officer of the Trust or a nominee to become a Trustee of the Trust; (2) any person who is known to be the beneficial owner of more than 5% of Trust's units; and (3) any immediate family member of any of the foregoing persons, which means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of the Trustee, executive officer, nominee or more than 5% beneficial owner, and any person (other than a tenant or employee) sharing the household of such Trustee, executive officer, nominee or more than 5% beneficial owner.