Annual Report 2019

North European Oil Royalty Trust

ATTENTION:
PLEASE RETAIN
CRITICAL TAX INFORMATION ENCLOSED

NORTH EUROPEAN OIL ROYALTY TRUST

The Annual Meeting of Unit Owners will be held on February 19, 2020, at 10:00 A.M., in Room A, Seventh Floor, at The University Club, 1 West 54th Street, New York City (northwest corner of 5th Avenue; entrance on 54th Street). All unit owners are cordially invited to attend.

If you plan to attend the meeting, please note that The University Club has a dress code. Men are required to wear a jacket and tie and women are required to wear business attire. The University Club does not make exceptions.

Table of Contents

IMPORTANT TAX INFORMATION

For your convenience, the information necessary to prepare your 2019 tax return is included in the removable "2019 Tax Letter" on Pages 27 through 30. Please note that there will be no separate mailing of the tax letter. The 2019 Tax Letter is also available at the Trust's website, www.neort.com.

NORTH EUROPEAN OIL ROYALTY TRUST

Report to Unit Owners:

FOURTH QUARTER 2019

Net income for the Trust for the fourth quarter of fiscal 2019 was $1,516,063, an increase of 14.43% from net income of $1,324,902 for the fourth quarter of fiscal 2018. The Trust receives nearly all of its royalties under two royalty agreements. The Mobil Agreement is the 4% royalty rate agreement covering gas sales from the western half of a concession in the Federal Republic of Germany (the "Oldenburg concession"). The OEG Agreement is the 0.6667% royalty rate agreement covering gas sales from the entire Oldenburg concession. Total royalties under the Mobil Agreement, including sulfur royalties under the 2% Mobil Sulfur Agreement, for the fourth quarter of fiscal 2019 were reduced by negative adjustments of ($74,991), as compared to negative adjustments totaling ($114,918) for the fourth quarter of fiscal 2018. Total royalties under the OEG Agreement for the fourth quarter of fiscal 2019 were reduced by negative adjustments of ($24,364), as compared to negative adjustments of ($88,239) for the fourth quarter of fiscal 2018. Net income in the fourth quarter of 2019 was higher than the fourth quarter of 2018 due to the impact of these adjustments as well as higher gas sales. Gas sales were higher largely due to the uninterrupted production at Grossenkneten. During the prior year's equivalent period, the production problems at Grossenkneten were not finally resolved until August 21, 2018. The relevant details for the fourth quarters of fiscal 2019 and 2018 for gas sales under the Mobil and OEG Agreements are shown in the table below.

Quarterly Gas Data Providing Basis for Fiscal Quarter Royalties

	3rd Calendar Quarter Ended 9/30/2019	**3rd Calendar Quarter Ended 9/30/2018**	**Percentage Change**
<u>Mobil Agreement:</u>			
Gas Sales (Bcf[1])	4.881	4.495	+ 8.59%
Gas Prices[2] (Ecents/kWh[3])	1.4612	1.9231	- 24.02%
Average Exchange Rate[4]	1.1004	1.1541	- 4.65%
Gas Royalties	$901,077	$1,144,969	- 21.30%
<u>OEG Agreement:</u>			
Gas Sales (Bcf)	16.205	14.029	+15.51%
Gas Prices (Ecents/kWh)	1.4901	1.9612	- 24.02%
Average Exchange Rate	1.0989	1.1530	- 4.69%
Gas Royalties	$369,501	$459,162	- 19.53%

[1]Billion cubic feet [2]Gas prices derived from May-July period [3]Euro cents per Kilowatt hour
[4]Based on average Euro/dollar exchange rates of cumulative royalty transfers

NORTH EUROPEAN OIL ROYALTY TRUST

FISCAL 2019 REPORT

For fiscal 2019, the Trust's total royalty income increased 15.92% to $8,344,712 from $7,198,534 in fiscal 2018. The increase in royalty income was the result of a combination of factors including higher gas sales and gas prices, higher sulfur royalties and the difference in the amount of adjustments between fiscal 2019 and 2018. As in prior years, the Trust receives information concerning adjustments from the operating companies based on their final calculations of royalties payable during the previous periods as well as other required adjustments. During fiscal 2019 and 2018, these adjustments increased royalty income by $225,450 and $189,529 respectively. During fiscal 2019 and 2018, Mobil sulfur royalties totaled $150,157 and $72,358, respectively. In fiscal 2019 the Grossenkneten desulfurization plant operated throughout the year without interruption. However, in fiscal 2018 gas sales were significantly impacted by a series of partial and complete shutdowns at Grossenkneten that began on March 15, 2018 and were not fully resolved until August 21, 2018. Further details relating to the changes in gas sales, gas prices and average exchange rates for fiscal 2019 and 2018 are presented on pages 10 through 12. The total distribution for fiscal 2019 was $0.82 per unit compared to $0.70 per unit for fiscal 2018.

The Trust's German consultant periodically contacts the representatives of the operating companies to inquire about their planned and proposed drilling and geophysical work and other general matters. The following represents a summary of the most recent information the Trust's German consultant received from representatives of the operating companies' unified exploration and production venture, ExxonMobil Production Deutschland GmbH ("EMPG") as of November 2019. The Trust is not able to confirm the accuracy of any of the information supplied by the operating companies. In addition, the operating companies are not required 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.

> After having been postponed to allow further operational planning, the sidetrack operations for Brettorf Z-2b M1 have been completed using Directional Coiled Tubing ("DCT") drilling. However, the sidetrack found only water. Sidetrack work for Doetlingen Z-3A was begun in July 2019 using DCT drilling. The sidetrack found no gas.
>
> The first gas production from the western Zechstein well, Visbek Z-16a began in the first quarter of 2019. As of the third quarter of 2019 gas production was marginal, below the expected production levels.
>
> Ahlhorn Z-3, a sour gas exploration/re-development well, was further postponed until the third quarter of 2020. Preliminary permits requests were filed with the Mining Authority in October 2019 and, once started, the project duration is estimated by EMPG to be about one year. This well will attempt to reactivate the Ahlhorn field which was abandoned in 1997.
>
> Jeddeloh Z-1 remains the only Oldenburg well announced by Vermilion under its Farm-In Agreement. This exploration well was originally intended to develop the Rotliegend (Permian Red Sandstone) formation but due to fracking difficulties might possibly be switched to the deeper Carboniferous zone. No start date has been announced.

No firm dates have been announced for either of the wells described above. Information on wells that are not named or are in preliminary planning stages is not divulged by EMPG.

NORTH EUROPEAN OIL ROYALTY TRUST

Based on the limited information available, Graves & Co. Consulting LLC, the Trust's petroleum consultant ("Graves & Co."), has prepared and submitted their report on the cost depletion percentage applicable to Trust unit owners for calendar 2019. The 2019 cost depletion percentage of 15.4516% and related tax information is contained in the removable "2019 Tax Letter" on Pages 27 through 30 of this report. The calculation of the cost depletion percentage is based on Graves & Co.'s estimate of remaining net proved producing reserves as of October 1, 2019. (The complete text of the report is available in the Trust's 2019 Report on Form 10-K as exhibit 99.1.) The application of the Trust's two royalty rates to gross remaining proved producing gas reserves or to gross gas sales for both eastern and western Oldenburg yields the net gas sales and net gas reserves attributable to the Trust, as referenced in the charts on pages 4 and 5. The report indicates that net Trust gas reserves decreased 20.31% to 6.430 Bcf from 8.069 Bcf on net sales for 2019 of 1.215 Bcf and a negative reserve adjustment of 0.424 Bcf.

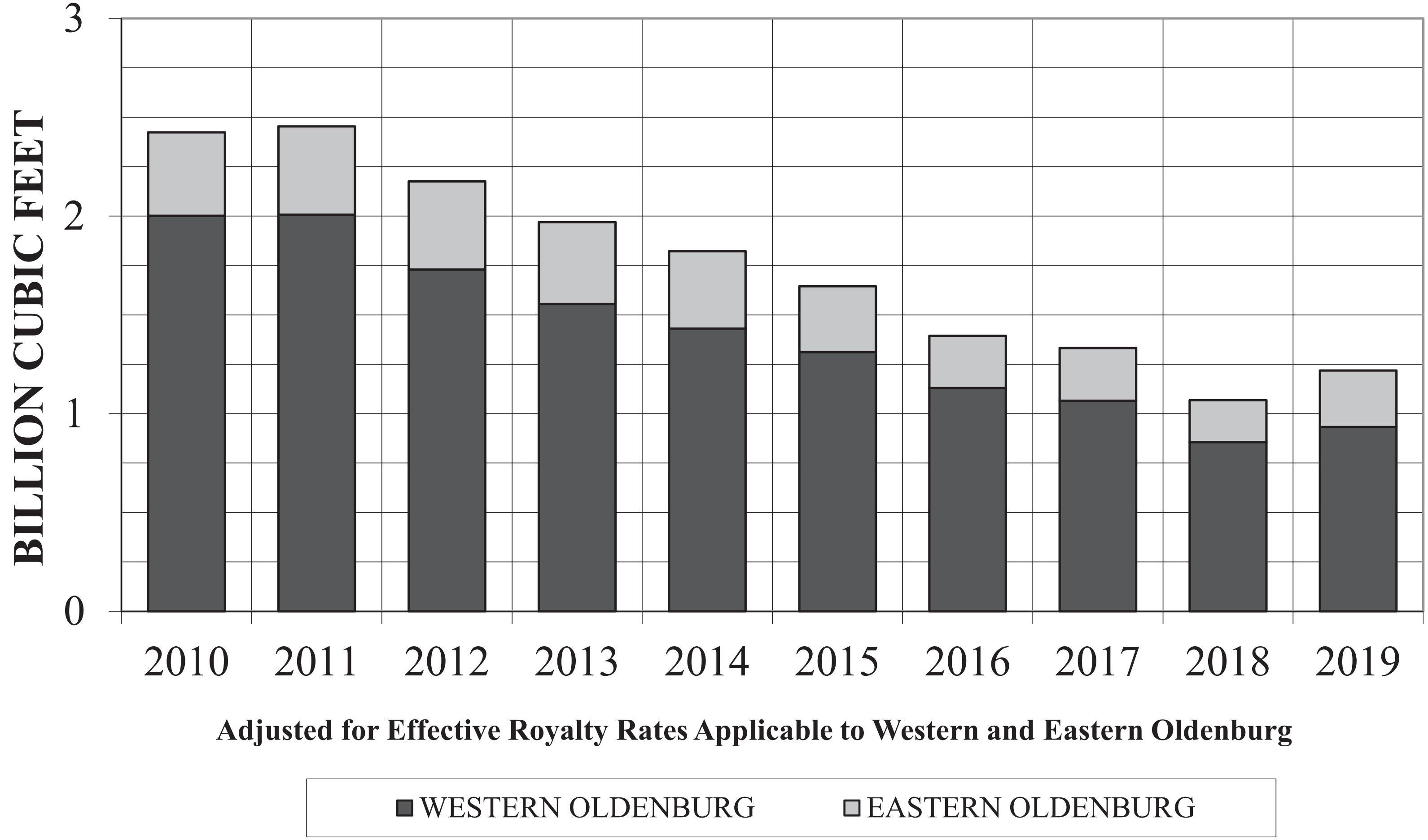
Respectfully submitted,

John R. Van Kirk
Managing Director

December 30, 2019

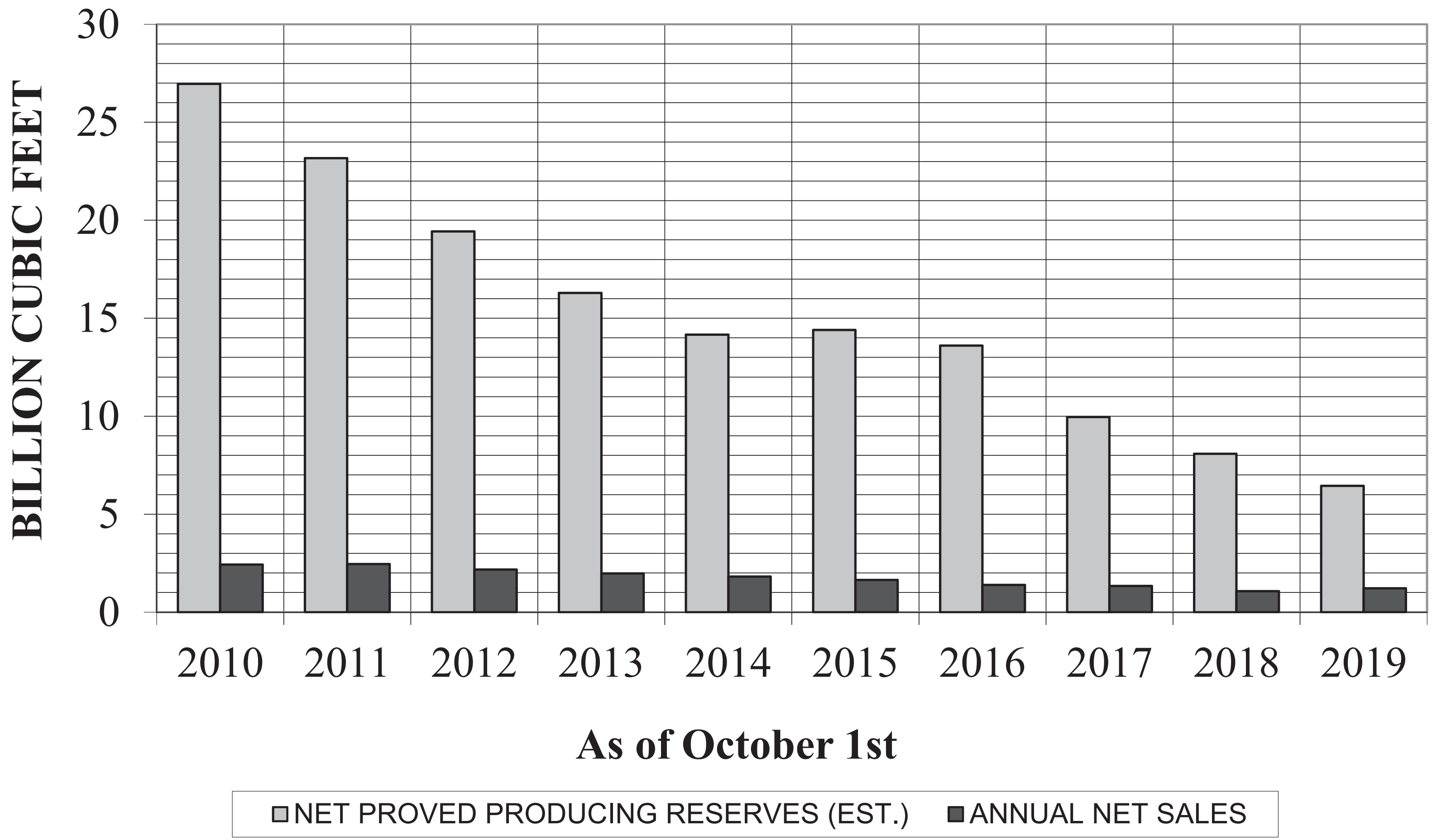
NORTH EUROPEAN OIL ROYALTY TRUST

TEN YEAR HISTORY OF NET GAS SALE VOLUMES



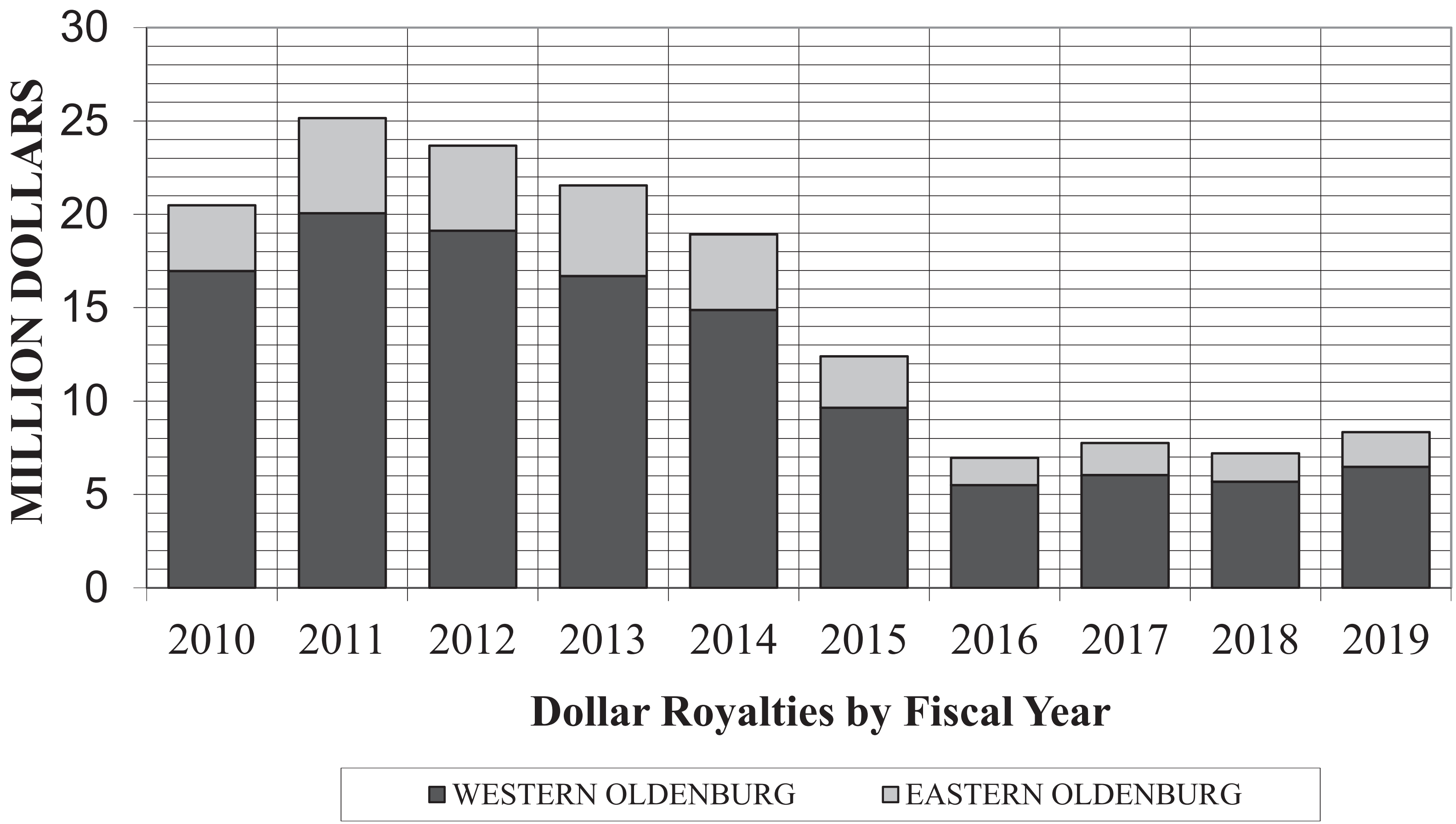
NORTH EUROPEAN OIL ROYALTY TRUST

NET PROVED PRODUCING GAS RESERVES (EST.)
AND VOLUME OF NET GAS SALES



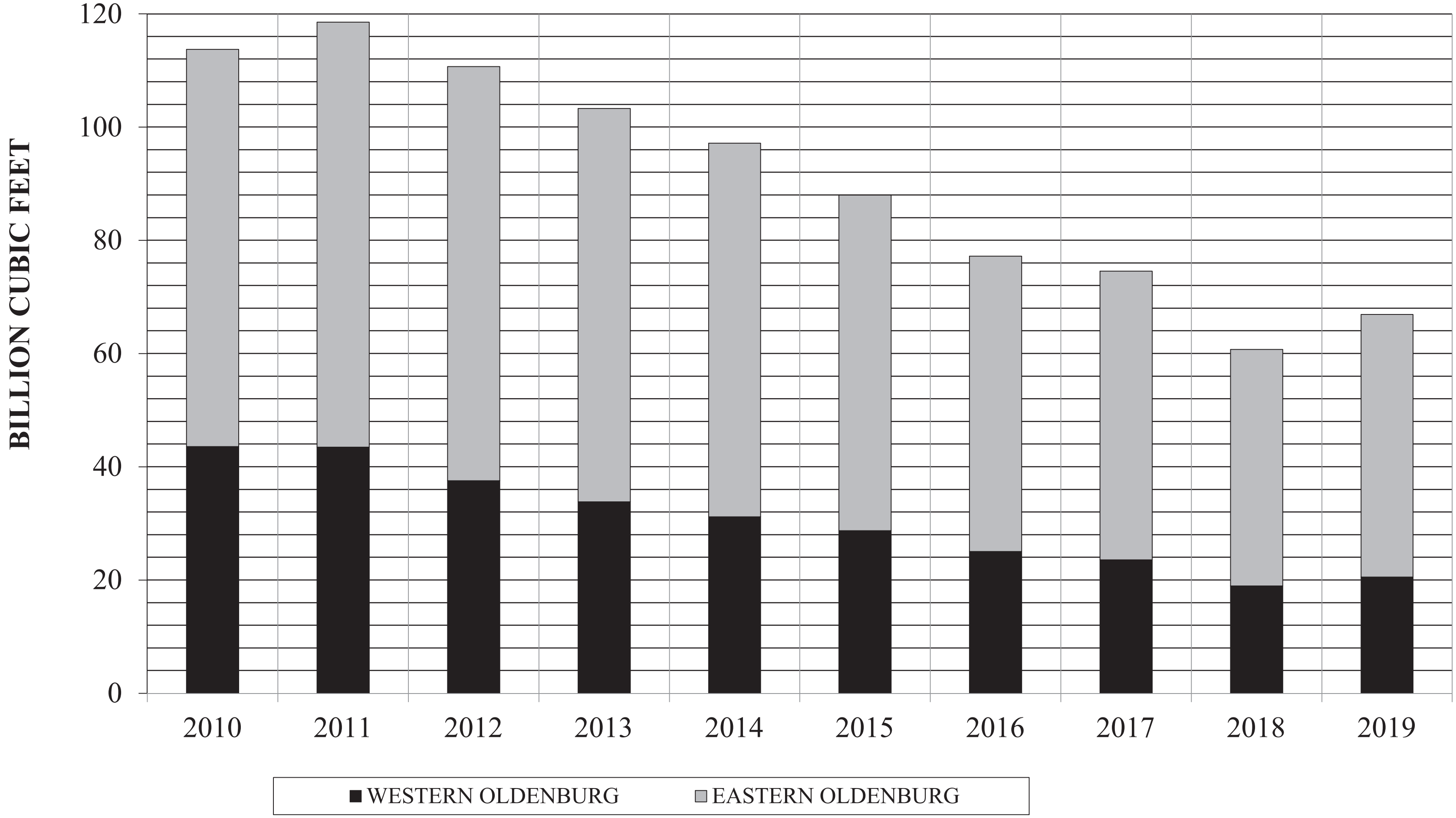
NORTH EUROPEAN OIL ROYALTY TRUST

DOLLAR ROYALTIES
WESTERN AND EASTERN OLDENBURG



NORTH EUROPEAN OIL ROYALTY TRUST

TEN YEAR HISTORY OF GROSS GAS SALE VOLUMES



Description of Trust Assets

The properties of the Trust, which the Trust and Trustees hold pursuant to the Trust Agreement on behalf of the unit owners, are overriding royalty rights on sales of gas, sulfur and oil under the Oldenburg concession. The Oldenburg concession covers approximately 1,386,000 acres, is located in the German federal state of Lower Saxony, and is the area from which natural gas, sulfur and oil are extracted. The Oldenburg concession currently provides 100% of all the royalties received by the Trust. The Oldenburg concession is held by Mobil Erdgas-Erdol GmbH (“Mobil Erdgas”), a German operating subsidiary of ExxonMobil, and by Oldenburgische Erdolgesellschaft (“OEG”). As a result of direct and indirect ownership, ExxonMobil owns two-thirds of OEG and the Royal Dutch/Shell Group of Companies owns one-third of OEG. BEB Erdgas und Erdol GmbH (“BEB”), a joint venture in which ExxonMobil and the Royal Dutch/Shell Group each own 50%, administers the concession held by OEG. In 2002, Mobil Erdgas and BEB formed EMPG to carry out all exploration, drilling and production activities. All sales activities upon which the calculation of royalties is based are still handled by either Mobil Erdgas or BEB (the “operating companies”).

Under the Mobil Agreement covering the western part of the Oldenburg concession (approximately 662,000 acres), the Trust receives a royalty payment of 4% on gross receipts from sales by Mobil Erdgas of gas well gas, oil well gas, crude oil and condensate. Under the Mobil Agreement there is no deduction of costs prior to the calculation of royalties from gas well gas and oil well gas, which together account for approximately 98% of all the royalties under said agreement. Historically, the Trust has received significantly greater royalty payments under the Mobil Agreement (as compared to the OEG Agreement described below) due to the higher royalty rate specified by that agreement.

The Trust is also entitled under an agreement with Mobil Erdgas to receive a 2% royalty on gross receipts of sales of sulfur obtained as a by-product of sour gas produced from the western part of Oldenburg (the “Mobil Sulfur Agreement”). The payment of the sulfur royalty is conditioned upon sales of sulfur by Mobil Erdgas at a selling price above an agreed upon base price. This base price is adjusted annually by an inflation index. When the average quarterly selling price falls below the indexed base price, no sulfur royalties are paid by Mobil Erdgas. Sulfur royalties under the Mobil Agreement totaled $150,157 and $72,358 during fiscal 2019 and 2018, respectively. The 2019 figure includes a negative adjustment from 2018 of ($907) and the 2018 figure includes a negative adjustment from 2017 of ($45,785) resulting from the fact that the sulfur price for one quarter fell below the adjusted base price.

Under the OEG Agreement covering the entire Oldenburg concession, the Trust receives royalties at the rate of 0.6667% on gross receipts from sales by BEB of gas well gas, oil well gas, crude oil, condensate and sulfur (removed during the processing of sour gas) less a certain allowed deduction of costs. Under the OEG Agreement, 50% of the field handling and treatment costs as reported for state royalty purposes are deducted from the gross sales receipts prior to the calculation of the royalty to be paid to the Trust.

Vermilion Energy Inc. (“Vermilion”), a Canadian based international oil and gas producer, entered into a Farm-In Agreement (the “Farm-In Agreement”) with Mobil Erdgas and BEB effective as of January 1, 2016. The Farm-In Agreement does not impact the Trust’s royalty interests. The Trust has been advised by its consultant in Germany that, based on the consultant’s conversations with EMPG employees and other sources, Vermilion has acquired an interest in various portions of a concession or areas owned by Mobil Erdgas and BEB pursuant to the Farm-In Agreement. The Farm-In Agreement committed Vermilion to financial participation at a 50% level in 11 exploratory wells over the five years ending 2020. Three of these wells will be drilled within the Oldenburg concession. Vermilion's participation in the development of any well and the sale of that gas, sulfur or oil would be subject to the relevant royalty contract.

Vermilion's first planned well within the Oldenburg concession is tentatively to be located in the western portion of the area designated Oldenburg-Land, the southernmost area of the three areas within the concession subject to Vermilion's Farm-In Agreement. Vermilion's well may be intended to develop the Carboniferous formation but at this time has no start date. Additionally, according to EMPG, Vermilion is expected to drill two other wells within the Oldenburg concession, one in Jeverland and one in Jade-Weser. No details concerning these wells or any other activities by Vermilion are available to the Trust at this date and Vermilion is under no obligation to disclose such information. The information regarding Vermilion's activities within the Oldenburg concession was conveyed to the Trust's German consultant by representatives of EMPG. However, the Trust is not able to confirm the accuracy of any of the information supplied by them.

Management's Discussion and Analysis of Financial Condition and Results of Operations
Executive Summary

The Trust is a passive fixed investment trust which holds overriding royalty rights, receives income under those rights from certain operating companies, pays its expenses and distributes the remaining net funds to its unit owners. As mandated by the Trust Agreement, distributions of income are made on a quarterly basis. These distributions, as determined by the Trustees, constitute substantially all of the funds on hand after provision is made for Trust expenses then anticipated.

The Trust does not engage in any business or extractive operations of any kind in the areas over which it holds royalty rights and is precluded from engaging in such activities by the Trust Agreement. There are no requirements, therefore, for capital resources with which to make capital expenditures or investments in order to continue the receipt of royalty revenues by the Trust.

The operating companies pay royalties to the Trust based on their sales of natural gas, sulfur and oil. Of these three products, natural gas provided approximately 93% of the total royalties in fiscal 2019. The amount of royalties paid to the Trust is primarily based on four factors: the amount of gas sold, the area from which the gas is sold, the price of that gas and the exchange rate. For purposes of the royalty calculation, the determination of the gas price is explained in detail in the following two paragraphs.

On August 26, 2016, the Mobil and OEG Agreements were amended establishing a new base for the determination of gas prices upon which the Trust's royalties are calculated. This new base is set as the state assessment base for natural gas used by the operating companies in their calculation of royalties payable to the State of Lower Saxony. This change reflects a shift from the use of gas ex-field prices ("contractual prices") to the prices calculated for the German Border Import gas Price ("GBIP"). The average GBIP used under the Mobil and OEG Royalty Agreements has been and will continue to be increased by 1% and 3%, respectively, for the royalty calculations.

The change to the GBIP was intended to be revenue neutral for the Trust in comparison to the previous pricing methodology. Additionally, this change was intended to reduce the scope and cost of the accounting examination, eliminate ongoing disputes with OEG and Mobil regarding sales to related parties, and reduce prior year adjustments to the normally scheduled year-end reconciliation. The pricing basis has eliminated certain costs (transportation and plant gas storage) that were previously deductible prior to the royalty calculation under the OEG Agreement.

There are two types of natural gas found within the Oldenburg concession, sweet gas and sour gas. Sweet gas has little or no contaminants and needs no treatment before it can be sold. Sour gas, in comparison, must be processed at the Grossenkneten desulfurization plant before it can be sold. The desulfurization process removes hydrogen sulfide and other contaminants. The hydrogen sulfide in gaseous form is converted to sulfur in a solid form, which is sold separately.

With full operation of the plant, raw gas input capacity stands at approximately 400 million cubic feet ("MMcf") per day. As needed, EMPG conducts maintenance on the plant generally during the summer months when demand is lower. There was no maintenance conducted at the Grossenkneten desulfurization plant during 2019.

For unit owners, changes in the U.S. dollar value of the Euro have an immediate impact. This impact occurs at the time the royalties, which are paid to the Trust in Euros, are converted into U.S. dollars at the applicable exchange rate and transferred from Germany to the Trust's bank account in the United States. In relation to the U.S. dollar, a stronger Euro would yield more U.S. dollars and a weaker Euro would yield fewer U.S. dollars.

Seasonal demand factors affect the income from the Trust's royalty rights insofar as they relate to energy demands and increases or decreases in prices, but on average they are generally not material to the annual income received under the Trust's royalty rights.

The Trust has no means of ensuring continued income from overriding royalty rights at their present level or otherwise. The Trust's consultant in Germany provides general information to the Trust on the German and European economies and energy markets. This information provides a context in which to evaluate the actions of the operating companies. The Trust's consultant receives reports from EMPG with respect to current and planned drilling and exploration efforts. However, EMPG and the operating companies continue to limit the information flow to that which is required by German law, and the Trust is not able to confirm the accuracy of any of the information supplied by EMPG or the operating companies.

The low level of administrative expenses of the Trust limits the effect of inflation on costs. Sustained price inflation would be reflected in sales prices. Sales prices along with sales volumes form the basis on which the royalties paid to the Trust are computed.

<u>Results: Fiscal 2019 versus Fiscal 2018</u>

For fiscal 2019, the Trust's gross royalty income increased 15.92% to $8,344,712 from $7,198,534 in fiscal 2018. The increase in the amount of royalty income resulted in the higher distribution. The total distribution for fiscal 2019 was $0.82 per unit compared to $0.70 per unit for fiscal 2018. While gas sales and gas prices under both royalty agreements increased, the average exchange rates under both royalty agreements declined. The royalty income attributable to gas sales under the Mobil Agreement in fiscal 2019 increased by $305,949 as compared to fiscal 2018. Royalty income attributable to gas sales under the OEG Agreement in fiscal 2019 increased by $267,991 as compared to fiscal 2018.

As in prior years, the Trust receives adjustments from the operating companies based on their final calculations of royalties payable during the previous periods. During fiscal 2019, the adjustments based on royalties payable for 2018 increased royalty income by $225,450. During fiscal 2018, the adjustments based on royalties payable for 2017 increased royalty income by $189,529. In fiscal 2019 and 2018, Mobil sulfur royalties totaled $150,157 and $72,358, respectively.

Gas sales under the Mobil Agreement increased 8.30% to 20.513 Billion cubic feet ("Bcf") in fiscal 2019 from 18.941 Bcf in fiscal 2018. The most significant factor resulting in the increase in gas sales for 2019 was the uninterrupted operation of the Grossenkneten desulfurization plant. During fiscal 2018 the significant reduction in throughput capacity at Grossenkneten, necessitated by the extensive repairs that were required, had a substantial impact on gas sales. In addition, according to the Trust's consultant in Germany, it is likely that some portion of the decline in gas production is due to the normal reduction in well pressure that is experienced over time.

Quarterly and Yearly Gas Sales under the Mobil Agreement in Billion cubic feet

Fiscal Quarter	2019 Gas Sales	2018 Gas Sales	Percentage Change
First	5.535	5.660	- 2.21%
Second	5.195	5.193	+ 0.04%
Third	4.902	3.593	+36.43%
Fourth	4.881	4.495	+ 8.59%
Fiscal Year Total	20.513	18.941	+ 8.30%

Average prices for gas sold under the Mobil Agreement increased 3.84% to 1.8862 Euro cents per kilowatt hour ("€cents/kWh") in fiscal 2019 from 1.8164 €cents/kWh in fiscal 2018.

Average Gas Prices under the Mobil Agreement in Euro cents per Kilowatt Hour

Fiscal Quarter	Average 2019 Gas Prices	Average 2018 Gas Prices	Percentage Change
First	2.0582	1.6593	+24.04%
Second	2.1250	1.8262	+16.36%
Third	1.8620	1.9141	- 2.72%
Fourth	1.4612	1.9231	- 24.02%
Fiscal Year Average	1.8862	1.8164	+ 3.84%

Converting gas prices into more familiar terms, using the average exchange rate, yielded a price of $6.08 per thousand cubic feet ("Mcf"), a 1.62% decrease from fiscal 2018's average price of $6.18/Mcf. For fiscal 2019, royalties paid under the Mobil Agreement were converted and transferred at an average Euro/U.S. dollar exchange rate of $1.1227, a decrease of 5.77% from the average Euro/U.S. dollar exchange rate of $1.1915 for fiscal 2018.

Average Euro Exchange Rate under the Mobil Agreement

Fiscal Quarter	2019 Average Euro Exchange Rate	2018 Average Euro Exchange Rate	Percentage Change
First	1.1349	1.1965	- 5.15%
Second	1.1267	1.2361	- 8.85%
Third	1.1202	1.1705	- 4.30%
Fourth	1.1004	1.1541	- 4.65%
Fiscal Year Average	1.1227	1.1915	- 5.77%

Excluding 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 fiscal 2019, the volume of gas sold from western Oldenburg accounted for only 30.66% of the volume of all gas sales. However, western Oldenburg gas royalties provided approximately 78.62% or $5,380,015 out of a total of $6,116,191 in overall Oldenburg gas royalties.

Gas sales under the OEG Agreement increased 11.03% to 66.912 Bcf in fiscal 2019 from 60.264 Bcf in fiscal 2018. The most significant factor resulting in the increase in gas sales for 2019 was the uninterrupted operation of the Grossenkneten desulfurization plant. During fiscal 2018 the significant reduction in throughput capacity at Grossenkneten, necessitated by the extensive repairs that were required, had a substantial negative impact on gas sales. In addition, according to the Trust's consultant in Germany, it is likely that some portion of the decline in gas production is due to the normal reduction in well pressure that is experienced over time.

Quarterly and Yearly Gas Sales under the OEG Agreement in Billion cubic feet

Fiscal Quarter	2019 Gas Sales	2018 Gas Sales	Percentage Change
First	17.536	18.150	- 3.38%
Second	16.851	16.373	+ 2.92%
Third	16.320	11.712	+39.34%
Fourth	16.205	14.029	+15.51%
Fiscal Year Total	66.912	60.264	+11.03%

Average gas prices for gas sold under the OEG Agreement increased 3.71% to 1.9200 €cents/kWh in fiscal 2019 from 1.8514 €cents/kWh in fiscal 2018.

Average Gas Prices under the OEG Agreement in Euro cents per Kilowatt Hour

Fiscal Quarter	Average 2019 Gas Prices	Average 2018 Gas Prices	Percentage Change
First	2.0989	1.6921	+24.04%
Second	2.1670	1.8624	+16.36%
Third	1.8988	1.9520	- 2.73%
Fourth	1.4901	1.9612	- 24.02%
Fiscal Year Average	1.9200	1.8514	+ 3.71%

Converting gas prices into more familiar terms, using the average exchange rate, yielded a price of $6.02/Mcf, a 2.59% decrease from fiscal 2018's average price of $6.18/Mcf. For fiscal 2019, royalties paid under the OEG Agreement were converted and transferred at an average Euro/U.S. dollar exchange rate of $1.1225, a decrease of 5.92% from the average Euro/U.S. dollar exchange rate of $1.1931 for fiscal 2018.

Average Euro Exchange Rate under the OEG Agreement

Fiscal Quarter	2019 Average Euro Exchange Rate	2018 Average Euro Exchange Rate	Percentage Change
First	1.1352	1.2008	- 5.46%
Second	1.1267	1.2364	- 8.87%
Third	1.1187	1.1705	- 4.43%
Fourth	1.0989	1.1530	- 4.69%
Fiscal Year Average	1.1225	1.1931	- 5.92%

Interest income for fiscal 2019 of $14,451 increased from interest income of $4,509 for fiscal 2018 due to higher interest rates in effect. Trust expenses decreased $13,990, or 1.76%, to $781,098 in fiscal 2019 from $795,088 in fiscal 2018 primarily due to the absence of accounting costs associated with the biennial examinations of the royalty calculations by the German operating companies during fiscal 2019. The Trust completed the conversion to a virtual office in May 2019 and currently handles all interactions with unit owners through email or phone. Similarly, communications and filings with state, federal and financial agencies are made via email or online filings. The change has not impacted the operations or administration of the Trust but has reduced some expenses.

NORTH EUROPEAN OIL ROYALTY TRUST

North European Oil Royalty Trust Selected Financial Data (Cash Basis) For Fiscal Years Ended October 31	2019	2018	2017	2016	2015
Gas, sulfur and oil royalties received	$8,344,712	$7,198,534	$7,762,225	$ 6,960,961	$12,390,575
Interest income	14,451	4,509	4,352	4,548	9,439
Trust expenses	(781,098)	(795,088)	(740,129)	(824,368)	(819,341)
Net income	$7,578,065	$6,407,955	$7,026,448	$ 6,141,141	$11,580,673
Net income per unit	$0.82	$0.70	$0.76	$0.67	$1.26
Distributions per unit paid or to be paid to unit owners	$0.82	$0.70	$0.76	$0.67	$1.27
Units outstanding end of period	9,190,590	9,190,590	9,190,590	9,190,590	9,190,590

Comparison of Five-Year Returns

The graph set forth on the following page compares, for the last five years, the cumulative return on Trust Units, the securities in a peer group index, and the S&P 500 Composite Index. Because no published peer group index exists and the Trust has been unable to locate any royalty trusts publicly traded in the U.S. with reserves and sales in Europe, the Trustees have developed a peer group consisting of the following three domestic oil royalty trusts: Mesa Royalty Trust, Sabine Royalty Trust and San Juan Basin Royalty Trust (the "Royalty Peer Group"). The composition of the Royalty Peer Group has been the same since the Trust's proxy statement for its 1993 Annual Meeting of Unit Owners.

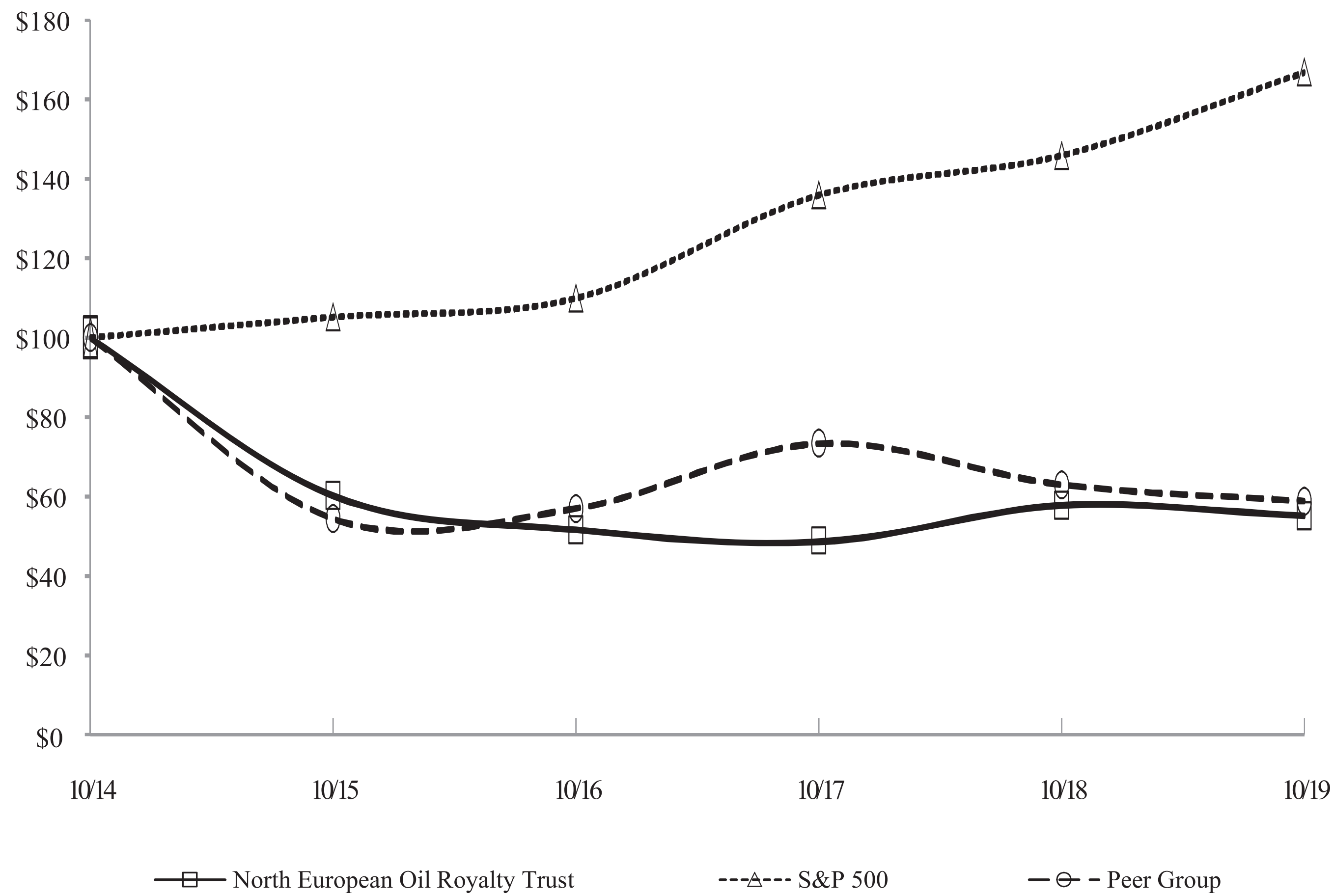
While these three domestic oil royalty trusts appear to be the most comparable for comparison purposes, there are a number of differences between North European Oil Royalty Trust and the Royalty Peer Group. As previously mentioned, the reserves and sales attributed to the royalty trusts comprising the Royalty Peer Group are located in the United States, while the reserves and sales attributed to North European Oil Royalty Trust are located in Germany. There are fundamental differences between the energy markets in the United States and Germany that affect commodity pricing and as a result severely restrict the usefulness of any comparison of their cumulative returns.

In determining the cumulative return on investment, it has been assumed that on October 31, 2014, an equal dollar amount was invested in the Trust Units, in the securities of the trusts of the Royalty Peer Group, and in the S&P 500 Composite Index. The comparisons assume in all cases the reinvestment of all dividends or distributions on the respective payment dates. The cumulative returns shown for the Trust and the Royalty Peer Group do not reflect any differences between the tax treatment of Trust distributions, due to permitted cost depletion, and dividends on securities in the S&P 500 Composite Index.

NORTH EUROPEAN OIL ROYALTY TRUST

COMPARISON OF 5 YEAR CUMULATIVE TOTAL RETURN*

Among North European Oil Royalty Trust, the S&P 500 Index,
and a Peer Group



*$100 invested on 10/31/14 in stock or index, including reinvestment of dividends.
Fiscal year ending October 31.

Critical Accounting Policies

The financial statements, appearing subsequently in this Report, present financial statement balances and financial results on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States ("GAAP basis"). Cash basis accounting is an accepted accounting method for royalty trusts such as the Trust. GAAP basis financial statements disclose income as earned and expenses as incurred, without regard to receipts or payments. The use of GAAP would require the Trust to accrue for expected royalty payments. This is exceedingly difficult since the Trust has very limited information on such payments until they are received and cannot accurately project such amounts. The Trust's cash basis financial statements disclose revenue when cash is received and expenses when cash is paid. The one modification of the cash basis of accounting is that the Trust accrues for distributions to be paid to unit owners (those distributions approved by the Trustees for the Trust). The Trust's distributable income represents royalty income received by the Trust during the period plus interest income less any expenses incurred by the Trust, all on a cash basis. In the opinion of the Trustees, the use of the modified cash basis provides a more meaningful presentation to unit owners of the results of operations of the Trust and presents to the unit owners a more accurate calculation of income and expenses for tax reporting purposes.

This Annual Report may contain forward-looking statements intended to qualify for the safe harbor from liability established by the Private Securities Litigation Reform Act of 1995. Such statements address future expectations and events or conditions concerning 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:

- risks and uncertainties concerning levels of gas production and gas sale prices, general economic conditions and currency exchange rates;
- the ability or willingness of the operating companies to perform under their contractual obligations with the Trust; and
- potential disputes with the operating companies and the resolution thereof.

All such factors are difficult to predict, contain uncertainties that may materially affect actual results, and are generally beyond the control of the Trust. New factors emerge from time to time and it is not possible for the Trust to predict all such factors or to assess the impact of each such factor on the Trust. Any forward-looking statement speaks only as of the date on which such statement is made, and the Trust does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made.

NORTH EUROPEAN OIL ROYALTY TRUST

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and the Unit Owners of
North European Oil Royalty Trust

Opinion on the Financial Statements

We have audited the accompanying statements of assets, liabilities and trust corpus of North European Oil Royalty Trust (the "Trust") as of October 31, 2019 and 2018, and the related statements of revenue collected and expenses paid, undistributed earnings, and changes in cash and cash equivalents for each of the years in the three-year period ended October 31, 2019, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities and trust corpus of the Trust as of October 31, 2019 and 2018, its revenue collected and expenses paid, its undistributed earnings, and changes in its cash and cash equivalents for each of the years in the two-year period ended October 31, 2019, in conformity with the modified cash bash basis of accounting described in Note 1.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the Trust's internal control over financial reporting as of October 31, 2019, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated December 30, 2019, expressed an unqualified opinion.

Basis for Opinion

These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on the Trust's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures include examining, on a test basis, evidence regarding amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Basis of Accounting

As described in Note 1, these financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Mazars USA LLP

We have served as the Trust's auditor since 2006.

New York, NY
December 30, 2019

NORTH EUROPEAN OIL ROYALTY TRUST

STATEMENTS OF ASSETS, LIABILITIES AND TRUST CORPUS (NOTE 1)
OCTOBER 31, 2019 AND 2018

ASSETS

	2019	2018
Current assets - - Cash and cash equivalents	$ 1,590,893	$ 1,457,207
Producing gas and oil royalty rights, net of amortization (Notes 1 and 2)	1	1
Total Assets	$ 1,590,894	$ 1,457,208

LIABILITIES AND TRUST CORPUS

	2019	2018
Current liabilities - - Distributions to be paid to unit owners, paid November 2019 and 2018	$ 1,470,494	$ 1,378,589
Trust corpus (Notes 1 and 2)	1	1
Undistributed earnings	120,399	78,618
Total Liabilities and Trust Corpus	$ 1,590,894	$ 1,457,208

The accompanying notes are an integral part of these financial statements.

NORTH EUROPEAN OIL ROYALTY TRUST

STATEMENTS OF REVENUE COLLECTED AND EXPENSES PAID (NOTE 1)
FOR THE FISCAL YEARS ENDED OCTOBER 31, 2019 AND 2018

	2019	2018
Gas, sulfur and oil royalties received	$ 8,344,712	$ 7,198,534
Interest income	14,451	4,509
Trust Income	8,359,163	7,203,043
Non-related party expenses	(703,351)	(705,367)
Related party expenses (Note 3)	(77,747)	(89,721)
Trust Expenses	(781,098)	(795,088)
Net Income	$ 7,578,065	$ 6,407,955
Net income per unit	$0.82	$0.70
Distributions per unit paid or to be paid to unit owners	$0.82	$0.70

The accompanying notes are an integral part of these financial statements.

NORTH EUROPEAN OIL ROYALTY TRUST

STATEMENTS OF UNDISTRIBUTED EARNINGS (NOTE 1)
FOR THE FISCAL YEARS ENDED OCTOBER 31, 2019 AND 2018

	2019	2018
Balance, beginning of year	$ 78,618	$ 104,076
Net income	7,578,065	6,407,955
	7,656,683	6,512,031
Less:		
Current year distributions paid or to be paid to unit owners	7,536,284	6,433,413
Balance, end of year	$ 120,399	$ 78,618

The accompanying notes are an integral part of these financial statements.

NORTH EUROPEAN OIL ROYALTY TRUST

STATEMENTS OF CHANGES IN CASH AND CASH EQUIVALENTS (NOTE 1)
FOR THE FISCAL YEARS ENDED OCTOBER 31, 2019 AND 2018

	2019	2018
Sources of Cash and Cash Equivalents:		
Gas, sulfur and oil royalties received	$ 8,344,712	$ 7,198,534
Interest income	14,451	4,509
	8,359,163	7,203,043
Uses of Cash and Cash Equivalents:		
Payment of Trust expenses	781,098	795,088
Distributions paid	7,444,379	7,076,753
	8,225,477	7,871,841
Net increase (decrease) in cash and cash equivalents during the year	133,686	(668,798)
Cash and cash equivalents, beginning of year	1,457,207	2,126,005
Cash and cash equivalents, end of year	$ 1,590,893	$ 1,457,207

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2019 AND 2018

(1) Summary of significant accounting policies:

Basis of accounting -

The accompanying financial statements of North European Oil Royalty Trust (the "Trust") are prepared in accordance with the rules and regulations of the SEC. Financial statement balances and financial results are presented on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States ("GAAP basis"). In the opinion of management, all adjustments that are considered necessary for a fair presentation of these financial statements, including adjustments of a normal, recurring nature, have been included.

On a modified cash basis, revenue is earned when cash is received and expenses are incurred when cash is paid. GAAP basis financial statements disclose revenue as earned and expenses as incurred, without regard to receipts or payments. The modified cash basis of accounting is utilized to permit the accrual for distributions to be paid to unit owners (those distributions approved by the Trustees for the Trust). The Trust's distributable income represents royalty income received by the Trust during the period plus interest income less any expenses incurred by the Trust, all on a cash basis. In the opinion of the Trustees, the use of the modified cash basis of accounting provides a more meaningful presentation to unit owners of the results of operations of the Trust.

Producing gas and oil royalty rights -

The rights to certain gas and oil royalties in Germany were transferred to the Trust at their net book value by North European Oil Company (the "Company") (see Note 2). The net book value of the royalty rights has been reduced to one dollar ($1) in view of the fact that the remaining net book value of royalty rights is *de minimis* relative to annual royalties received and distributed by the Trust and does not bear any meaningful relationship to the fair value of such rights or the actual amount of proved producing reserves.

Federal and state income taxes -

The Trust, as a grantor trust and also under a private letter ruling issued by the Internal Revenue Service, is exempt from federal income taxes. The Trust has no state income tax obligations.

Cash and cash equivalents -

Cash and cash equivalents are defined as amounts deposited in bank accounts and amounts invested in certificates of deposit and U. S. Treasury bills with original maturities generally of three months or less from the date of purchase. The investment options available to the Trust are limited in accordance with specific provisions of the Trust Agreement. As of October 31, 2019, the uninsured amounts held in the Trust's U.S. bank accounts were $1,335,461. In addition, the Trust held €4,870, the equivalent of $5,434, in its German bank account at October 31, 2019.

Net income per unit -

Net income per unit is based upon the number of units outstanding at the end of the period. As of October 31, 2019 and 2018, there were 9,190,590 units of beneficial interest outstanding.

New accounting pronouncements -

The Trust is not aware of any recently issued, but not yet effective, accounting standards that would be expected to have a significant impact on the Trust's financial position or results of operations.

(2) Formation of the Trust:

The Trust was formed on September 10, 1975. As of September 30, 1975, the Company was liquidated and the remaining assets and liabilities of the Company, including its royalty rights, were transferred to the Trust. The Trust, on behalf of the owners of beneficial interest in the Trust, holds overriding royalty rights covering gas and oil production in certain concessions or leases in the Federal Republic of Germany. These rights are held under contracts with local German exploration and development subsidiaries of ExxonMobil Corp. and the Royal Dutch/Shell Group of Companies. Under these contracts, the Trust receives various percentage royalties on the proceeds of the sales of certain products from the areas involved. At the present time, royalties are received for sales of gas well gas, oil well gas, crude oil, distillate and sulfur.

(3) Related party transactions:

John R. Van Kirk, the Managing Director of the Trust, provided office space and services to the Trust at cost. For such office space and services, the Trust reimbursed the Managing Director $26,166 and $26,873 in fiscal 2019 and 2018, respectively.

Lawrence A. Kobrin, a Trustee of the Trust, is no longer a partner of the firm but remains a Senior Counsel at Cahill Gordon & Reindel LLP, which serves as counsel to the Trust. For legal services, the Trust paid Cahill Gordon & Reindel LLP $51,581 and $62,848 in fiscal 2019 and 2018, respectively.

(4) Employee benefit plan:

The Trust has established a savings incentive match plan for employees (SIMPLE IRA) that is available to both employees of the Trust, one of whom is the Managing Director. The Trustees authorized the making of contributions by the Trust to the accounts of employees, on a matching basis, of up to 3% of cash compensation paid to each such employee for the 2019 and 2018 calendar years.

(5) Quarterly results (unaudited):

The tables below summarize the quarterly results and distributions of the Trust for the fiscal years ended October 31, 2019 and 2018:

	Fiscal 2019 by Quarter and Year				
	First	**Second**	**Third**	**Fourth**	**Year**
Royalties received	$ 2,303,000	$ 2,235,350	$ 2,146,227	$ 1,660,135	$ 8,344,712
Net income	$ 2,037,785	$ 2,001,753	$ 2,022,464	$ 1,516,063	$ 7,578,065
Net income per unit	$0.22	$0.22	$0.22	$0.16	$0.82
Distributions paid or to be paid	$ 2,021,930	$ 2,021,930	$ 2,021,930	$ 1,470,494	$ 7,536,284
Distributions per unit paid or to be paid to unit owners	$0.22	$0.22	$0.22	$0.16	$0.82

	Fiscal 2018 by Quarter and Year				
	First	**Second**	**Third**	**Fourth**	**Year**
Royalties received	$ 1,770,241	$ 2,054,020	$ 1,900,082	$ 1,474,191	$ 7,198,534
Net income	$ 1,495,086	$ 1,820,337	$ 1,767,631	$ 1,324,902	$ 6,407,955
Net income per unit	$0.16	$0.20	$0.19	$0.14	$0.70
Distributions paid or to be paid	$ 1,562,400	$ 1,746,212	$ 1,746,212	$ 1,378,589	$ 6,433,413
Distributions per unit paid or to be paid to unit owners	$0.17	$0.19	$0.19	$0.15	$0.70

Disclosure Controls and Procedures

The Trust maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by the Trust is recorded, processed, summarized, accumulated and communicated to its management, which consists of the Managing Director, to allow timely decisions regarding required disclosure, and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The Managing Director has performed an evaluation of the effectiveness of the design and operation of the Trust's disclosure controls and procedures as of October 31, 2019. Based on that evaluation, the Managing Director concluded that the Trust's disclosure controls and procedures were effective as of October 31, 2019.

Internal Control over Financial Reporting

Part A. Management's Report on Internal Control over Financial Reporting

The Trust's management is responsible for establishing and maintaining adequate internal control over financial reporting (as such term is defined in Exchange Act Rule 13a-15(f)) for the Trust. There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal control may vary over time. Management has evaluated the Trust's internal control over financial reporting as of October 31, 2019. This assessment was based on criteria for effective internal control over financial reporting described in the standards promulgated by the Public Company Accounting Oversight Board and in the Internal Control-Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, management concluded that the Trust's internal control over financial reporting was effective as of October 31, 2019. Management's assessment of the effectiveness of our internal control over financial reporting as of October 31, 2019 has been audited by Mazars USA LLP, the Trust's independent auditor, as stated in their report which follows.

Part B. Attestation Report of Independent Registered Public Accounting Firm

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Trustees and Unit Owners
of North European Oil Royalty Trust

Opinion on Internal Control over Financial Reporting

We have audited North European Oil Royalty Trust's (the "Trust") internal control over financial reporting as of October 31, 2019, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). In our opinion, the Trust maintained, in all material respects, effective internal control over financial reporting as of October 31, 2019, based on criteria established in *Internal Control—Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the statements of assets, liabilities and trust corpus of the Trust as of October 31, 2019 and 2018 and the related statements of revenue collected and expenses paid, undistributed earnings, and changes in cash and cash equivalents for each of the two years in the period ended October 31, 2019 and the related notes, and our report dated December 30, 2019, expressed an unqualified opinion.

Basis for Opinion

The Trust's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Trust's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Trust in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A trust's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the modified cash basis of accounting described in Note 1, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. A trust's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the trust; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with the modified cash basis of accounting, and that receipts and expenditures of the trust are being made only in accordance with authorizations of management and trustees of the trust; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the trust's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Mazars USA LLP
New York, NY
December 30, 2019

NORTH EUROPEAN OIL ROYALTY TRUST

North European Oil Royalty Trust
P.O. Box 187
Keene, New Hampshire 03431
(732) 741-4008

IMPORTANT – 2019 TAX LETTER
RETAIN THIS LETTER FOR PREPARATION OF YOUR 2019 INCOME TAX RETURNS

January 2, 2020

To the Current and Former Unit Owners of
North European Oil Royalty Trust:

There are three parts to the tax letter. PART ONE applies to all unit owners. PART TWO applies to unit owners who have held their units for the entire year. PART THREE applies to unit owners who have held their units for only a portion of the year.

The following is provided to assist current and former unit owners of North European Oil Royalty Trust (the "Trust") to prepare their personal income tax returns for the tax year ended December 31, 2019. This letter serves to assist Owners, and their tax professionals, in determining the accurate and true income from the Trust for income tax reporting purpose. Further, this letter is for informational purposes and neither the Trust nor Trust employees intend, nor may it be construed, for this letter to serve as either legal or tax advice. It is recommended that you seek the advice of your trusted tax professional or attorney should you require further guidance.

TEAR OUT HERE

PART ONE – ALL UNIT OWNERS

To determine your proportional and, therefore, reportable, share of Trust income you must first know how many Trust units you owned during 2019, the periods during which you owned the units, and the cost or tax basis of the units. The information contained in this letter is applicable to those unit owners who held their units for either the entire year or only a portion of the year. Please note that Trust distributions are not dividends and should not be included on your income tax return as dividend income.

The Trust is considered a "grantor trust" for federal income tax purposes and each unit owner is deemed a "grantor" of the Trust. As such, unit owners realize income, in proportion to the owned units, when royalty income is paid to the Trust. Further, unit owners may deduct, from income, a proportional share of Trust expenses. Because realization of proportional Trust income and expenses is a time sensitive inquiry, you should not use the amount of quarterly Trust distributions received for income tax reporting purposes. Additionally, you should disregard the amounts listed on any 2019 Form 1099-Misc you receive from your broker or other nominee. The listed amounts are incomplete because they do not include your proportional share of Trust expenses and/or the cost depletion allowance.

Income and expenses should be reported on Federal Income Tax Form 1040, Schedule E. Royalty income is generally considered portfolio income under the passive loss rules enacted by the Tax Reform Act of 1986. Under Part I, Income or Loss from Rental Real Estate and Royalties, under item Line 1a enter property description as "oil and gas overriding royalty rights, Germany through North European Oil Royalty Trust." Under item 1b the type of property is royalties. On Federal Income Tax Form 1040, Schedule E, royalty income should be entered on Line 4 and expenses should be entered on Line 19 as "miscellaneous Trust expenses." Some tax preparation computer programs ask for a tax identification number. North European Oil Royalty Trust's tax identification number is 22-2084119.

A unit owner may be entitled to cost depletion for tax reporting purposes. At the outset, in the first year of ownership, the unit owner's cost or tax basis for the units is the basis for computing cost depletion. In each subsequent year, the basis for computing cost depletion is that original cost less the cumulative amount of depletion previously taken.

The Trust retains Graves & Co. Consulting, LLC, of Houston, Texas, a petroleum engineering company, to calculate the cost depletion percentage each year. The cost depletion percentage is calculated based upon computations of proved producing reserves estimated in accordance with accepted engineering analytical principles. Graves & Co. Consulting, LLC has recommended an annual cost depletion percentage of 15.4516% for the 2019 calendar year.

The IRS periodically changes the format for Schedule E (including the line numbers and descriptions), and may do so even after the date of this letter, so please make certain you follow the Form 1040 Schedule E directions carefully and enter the information on the correct lines.

The Trust's royalty income represents income from Germany. Although Germany does not tax the royalty income received by the Trust, this information should be considered if you have available foreign tax credits from other sources.

The Trust will submit this letter and the listing of unit owners during 2019 to the Internal Revenue Service. This list will contain names, addresses and tax ID or Social Security Numbers. You may wish to attach a copy of this letter to your tax returns.

This letter does not constitute legal or tax advice. Neither the Trust nor its employees may offer tax or legal advice relevant to your unique situation. The Trust recommends that you direct any questions to your tax advisor or attorney.

PART TWO – OWNERSHIP OF UNITS FOR THE ENTIRE YEAR

A. If you owned all your units for the entire year, you would calculate your royalty income by multiplying the number of units you owned by $0.8507. On Federal Income Tax Form 1040, Schedule E, royalty income should be entered on Line 4.

B. If you owned all your units for the entire year, you would calculate your expenses by multiplying the number of units you owned by $0.0869. On Federal Income Tax Form 1040, Schedule E, expenses should be entered on Line 19 as "miscellaneous Trust expenses."

C. If you owned all your units for the entire year, you would calculate your cost depletion deduction by multiplying your cost basis or adjusted cost basis by .154516. On the Federal Income Tax Form 1040, Schedule E, your cost depletion deduction should be entered on Line 18.

PART THREE – OWNERSHIP OF UNITS FOR A PARTIAL YEAR

If you owned your units for only a portion of the year, you should use the charts and instructions on the following pages to determine your royalty income, royalty expenses and cost depletion deduction.

NORTH EUROPEAN OIL ROYALTY TRUST

ROYALTY INCOME PER UNIT FOR THE 2019 TAX YEAR												
First month during which units were owned:	**Last month during which units were owned:**											
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
January	$0.1317	$0.2124	$0.2934	$0.3749	$0.4519	$0.5303	$0.6084	$0.6370	$0.7256	$0.7891	$0.8006	$0.8507
February		$0.0807	$0.1617	$0.2432	$0.3202	$0.3986	$0.4767	$0.5053	$0.5939	$0.6574	$0.6689	$0.7190
March			$0.0810	$0.1625	$0.2395	$0.3179	$0.3960	$0.4246	$0.5132	$0.5767	$0.5882	$0.6383
April				$0.0815	$0.1585	$0.2369	$0.3150	$0.3436	$0.4322	$0.4957	$0.5072	$0.5573
May					$0.0770	$0.1554	$0.2335	$0.2621	$0.3507	$0.4142	$0.4257	$0.4758
June						$0.0784	$0.1565	$0.1851	$0.2737	$0.3372	$0.3487	$0.3988
July							$0.0781	$0.1067	$0.1953	$0.2588	$0.2703	$0.3204
August								$0.0286	$0.1172	$0.1807	$0.1922	$0.2423
September									$0.0886	$0.1521	$0.1636	$0.2137
October										$0.0635	$0.0750	$0.1251
November											$0.0115	$0.0616
December												$0.0501

A. To determine your royalty income per unit for your period of ownership, place your finger on the chart above on the first month in the left hand column during which you owned your units and slide your finger to the right until you reach the column showing the last month during which you owned your units. This figure should be multiplied by the number of units you owned during that period to calculate your royalty income. On Federal Income Tax Form 1040, Schedule E, royalty income should be entered on Line 4.

ROYALTY EXPENSES PER UNIT FOR THE 2019 TAX YEAR												
First month during which units were owned:	**Last month during which units were owned:**											
	January	**February**	**March**	**April**	**May**	**June**	**July**	**August**	**September**	**October**	**November**	**December**
January	$0.0107	$0.0243	$0.0285	$0.0362	$0.0422	$0.0453	$0.0496	$0.0560	$0.0597	$0.0652	$0.0729	$0.0869
February		$0.0136	$0.0178	$0.0255	$0.0315	$0.0346	$0.0389	$0.0453	$0.0490	$0.0545	$0.0622	$0.0762
March			$0.0042	$0.0119	$0.0179	$0.0210	$0.0253	$0.0317	$0.0354	$0.0409	$0.0486	$0.0626
April				$0.0077	$0.0137	$0.0168	$0.0211	$0.0275	$0.0312	$0.0367	$0.0444	$0.0584
May					$0.0060	$0.0091	$0.0134	$0.0198	$0.0235	$0.0290	$0.0367	$0.0507
June						$0.0031	$0.0074	$0.0138	$0.0175	$0.0230	$0.0307	$0.0447
July							$0.0043	$0.0107	$0.0144	$0.0199	$0.0276	$0.0416
August								$0.0064	$0.0101	$0.0156	$0.0233	$0.0373
September									$0.0037	$0.0092	$0.0169	$0.0309
October										$0.0055	$0.0132	$0.0272
November											$0.0077	$0.0217
December												$0.0140

B. To determine your royalty expenses per unit for your period of ownership, place your finger on the chart above on the first month in the left hand column during which you owned your units and slide your finger to the right until you reach the column showing the last month during which you owned your units. This figure should be multiplied by the number of units you owned during that period to calculate your expenses. On Federal Income Tax Form 1040, Schedule E, expenses should be entered on Line 19 as “miscellaneous Trust expenses.”

C. If you owned your units for only a portion of the year you must prorate the depletion percentage to reflect your period of ownership. In the same way that you calculated your royalty income per unit, place your finger on the Royalty Income per Unit Chart on the first month in the left hand column during which you owned your units and slide your finger to the right until you reach the column showing the last month during which you owned your units. This figure should be divided by $0.8507. The resulting figure is then multiplied by .154516 to yield the prorated depletion percentage. Multiply this prorated depletion percentage by your cost basis or adjusted cost basis to calculate your cost depletion deduction. Your cost depletion deduction should be entered on Line 18 on the Federal Income Tax Form 1040, Schedule E.

This letter does not constitute legal or tax advice. Neither the Trust nor its employees may offer tax or legal advice relevant to your unique situation. If you dispose of some or all of your Trust units, you should consult your tax advisor as to the tax consequence of that disposition. The Trust recommends that you direct any questions to your tax advisor or attorney.

Most sincerely yours,

John R. Van Kirk
Managing Director

NORTH EUROPEAN OIL ROYALTY TRUST

A copy of the Trust’s Form 10-K Annual Report for fiscal 2019 as filed with the Securities and Exchange Commission will be sent upon written request to John R. Van Kirk, Managing Director, P.O. Box 187, Keene, New Hampshire 03431. In addition to the 2019 10-K, other pertinent filings and documents are available at the Trust’s website, www.neort.com