

Dear Shareholders & Warrant Holders

Welcome to our inaugural quarterly newsletter. We hope that you had a safe and happy holiday season.

Barramundi has now been operating for just over two months after a very successful listing on the New Zealand Stock Exchange. The initial offer was expected to raise \$50 million. After strong interest in the float the offer was increased to \$100 million. However at the close of the offer \$126 million in applications were received, representing \$26 million more than the increased offer size. As a result of this overwhelming demand, the offer was scaled giving preference to shareholders in Kingfish Limited (up to a certain limit) in order to meet our obligations as set out in the Prospectus and Investment Statement. Unfortunately all applications from the public were refunded.

Since listing, Barramundi has been in start-up phase. Our Manager, Fisher Funds has been making good progress in building the portfolio with 42% of funds invested in Australian Equities at the end of December. Net Asset Value per Share which stood at \$0.9946 at the end of December, has all but recovered initial listing costs of \$2.5 million, or 2.5% of the offer proceeds of \$100 million. The Net Asset Value per share has lifted 2.01% after allowing for listing costs, and Barramundi is steadily moving towards becoming fully invested.

During these early months of operation your Board made the decision to make an application to the New Zealand Stock Exchange asking them to waive their requirements in relation to reporting on the financial statements for the shortened period ended 31 December 2006. We were successful in obtaining this waiver. We believe the costs in providing you with this information far outweighed any limited benefit you would have received from information relating to the shortened period, particularly while the portfolio is still being built and given Barramundi is a listed investment company which reports its key financial indicator (Net Asset Value per share) to the market on a weekly and monthly basis.

Barramundi will not be making a dividend payment for the period ended 31 December 2006. Barramundi has not itself received any dividend income and while the Manager completes its investment of the proceeds from the initial public offering, we believe any dividend paid at this stage would not reflect the performance of a complete portfolio.

Our Manager, Fisher Funds, makes further commentary regarding the general market outlook and progress in relation to building the portfolio, later in this newsletter.

We look forward to the year ahead and we thank you for your continued support.



Rob Challinor
Chairman - Barramundi Limited
12 January 2007

Barramundi Quarterly Review Fisher Funds

General Overview

Barramundi Limited listed on the New Zealand Stock Exchange on 26 October 2006. Since then we have been building positions in our favoured portfolio companies. Performance for Barramundi's first two months has been encouraging, and we have been pleased with our investing programme which we are approaching cautiously, preferring to pay reasonable prices as stock becomes available rather than chasing prices up to buy volume.

Portfolio Review

Because we are still in the process of building the Barramundi portfolio, it is inappropriate to be too specific about our portfolio stocks and their weightings. We have begun to build core positions in our favoured portfolio companies, which include Arrow Energy, Credit Corp and Vision Group. We thought we would take the opportunity in this newsletter to give you more of a flavour for some of the core portfolio companies by profiling Arrow Energy and Vision Group. Details of other portfolio companies will be added to the Barramundi Limited website www.barramundi.co.nz in the near future. >



At a Glance

Performance for the period 26 Oct '06 to 31 Dec '06:

Net Asset Value	\$0.9946	-0.54%	2.01%*
Diluted Net Asset Value	\$0.9964**	-0.36%	2.19%*
Share Price	\$1.08	+8.00%	
Warrant Price	\$0.29	+29.00%	

Portfolio Holdings as at 31 Dec '06

Australian Equities	41.8%
AUD Cash	49.5%
NZD Cash	8.7%

Barra Holdings Limited (three largest holdings***):

Arrow Energy
Credit Corp Group
Vision Group Holdings

Barra Nursery Limited:

No holdings as yet

(Barra Holdings owns the core portfolio of companies that are expected to be owned for many years. Barra Nursery will own shares in companies that have not yet met all investment criteria to become a core holding).

* Based on adjusted Net Asset Value per share at listing of \$0.9750, representing listing price of \$1.00 less issue costs per share \$0.25. ** The Diluted Net Asset Value per share is higher than the Net Asset Value per share because a notional exercise of a warrant for \$1.00 (to receive one share worth \$1.08 on the market) would increase the value of the company by \$0.0054 (\$1.00 - \$0.9946) per share. *** While we are at this early stage in building the portfolio we prefer not to provide specific details for smaller holdings and equity weightings. This is primarily to avoid increased demand for stocks which can lead to increased stock prices and possible difficulty in accessing further stock volumes.

Arrow Energy is one of Australia's leading providers of coal seam methane (a clean burning gas). We see Arrow as an exceptionally well managed company (the CEO previously ran BP's Asia Pacific gas and power business) that is benefiting both from strong growth in demand for gas and from a shift away from traditional gas sources towards this new, clean supply. To date, Arrow Energy has been the leading contributor to portfolio performance rising by over 28% since our initial purchase.

Vision Group is a great example of what we look for in a business. Vision is Australia's leading ophthalmology (eye) surgical company. They are a beneficiary of the aging population (unfortunately eye problems and particularly cataracts await all of us in later years) and they stand to benefit as eye complaints that were once untreatable become operable. Vision has already established a leading market position on the Eastern seaboard but will over time expand to the West and probably into New Zealand further driving the business. This is a well managed company in a growing industry with considerable barriers to entry.

Market Outlook

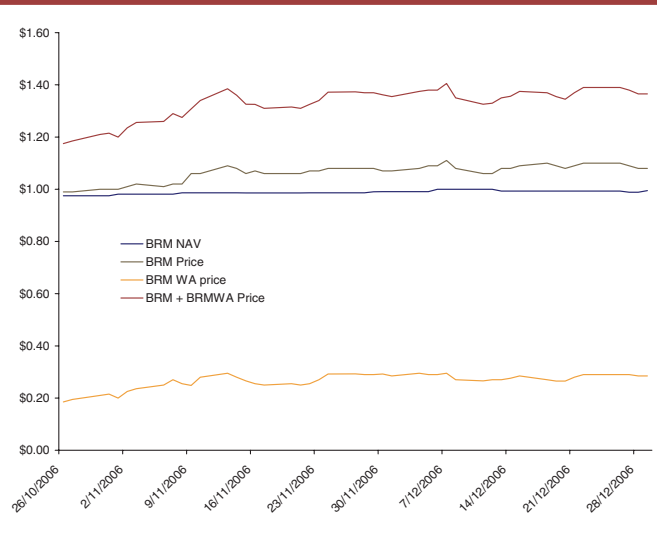
2006 was a great year for the Australian share market with the S&P/ASX 300 index up 29.2% in Australian dollar terms. What made 2006 remarkable was the level of merger and acquisition activity over the year with nobody seemingly immune to the ambitions and cheque books of the large private equity firms. We see this trend continuing into 2007 and providing continued impetus to the overall market.

At Fisher Funds, our focus in 2007 will continue to be on our companies rather than on the broad market. We have visited all of the Barramundi portfolio companies over the past quarter and are comfortable that they have the growth strategies in place to drive their business forward over the year. The Australian share market continues to excite us and we are confident that we can find sufficient portfolio companies to build a growth portfolio that will deliver positive returns in the future.



Carmel Fisher
Managing Director - Fisher Funds Management Ltd
12 January 2007

Barramundi Net Asset Value, Share and Warrant Price Performance



The Barramundi Website

www.barramundi.co.nz

The Barramundi website profiles the company and includes our latest news and information, including any shareholder reports and market announcements.

The Barramundi Net Asset Value per share ("NAV") is updated weekly and disclosed on the Barramundi website. The NAV reflects the underlying value of the Barramundi assets.

It also contains a link to the Fisher Funds website and copies of the latest Fisher Funds monthly newsletter "From the Undergrowth".

Relative Performance	One Month	Two Months	Since Inception (IPO)
Barramundi NAV (from 26 October 2006)*	0.35%	2.01%	2.01%
90 Day Bank Bill Index (NZD) + 7% p.a.	1.23%	2.44%	2.63%
Difference	-0.88%	-0.43%	-0.62%
S&P/ASX 300 (in NZD)	0.50%	2.64%	1.79%
S&P/ASX Small Ords (in NZD)	0.90%	4.62%	3.50%

* Based on adjusted Net Asset Value per share at listing of \$0.9750, representing listing price of \$1.00 less issue costs per share \$0.25.

What's coming up?

- "Update" newsletter March 2007 - April 2007
- 30 June 2007 Full Year preliminary result - late July 2007
- 30 June 2007 Annual Report publication - August 2007
- Barramundi Annual Shareholders Meeting - September 2007
- Start of optional Warrant Exercise Period - 26 October 2007

Going forward, the Barramundi "Update" newsletter will be produced for the March and September quarters only. The Annual and Interim Reports will cover the June and December periods. Should you prefer to receive future Update newsletters electronically please email us at enquire@barramundi.co.nz.