

Dear Shareholders & Warrant Holders

Welcome to our September 2007 quarterly newsletter, at a time where we are fast approaching our first anniversary since listing on the New Zealand Stock Exchange.

The highlights of the past quarter have been the production of our first Annual Report and holding our inaugural Annual Shareholders Meeting (ASM) on 13 September 2007.

The Board would like to thank all those who attended the ASM. It was good to see so many of you supporting Barramundi and to have the opportunity to meet and update you on the progress of the company, in person.

The September 2007 quarter was a volatile period for both the New Zealand and Australian share markets. The Barramundi share price closed the quarter down 4.4% at \$1.08. Net Asset Value (NAV) per share was \$1.20, which, in spite of such volatility was unchanged from the NAV at 30 June 2007 and has grown 22.9% since listing, reflecting the continued performance of our Manager, Fisher Funds.

Fisher Funds provides further information on the markets and investment activities later in this newsletter.

We wish you well for the festive period ahead and look forward to communicating with you all again in the New Year.

Yours sincerely



Rob Challinor
Chairman – Barramundi Limited
8 October 2007



Barramundi Quarterly Review Fisher Funds

Market and Portfolio Review

Volatility was the defining characteristic of global share markets over the September 2007 quarter. Investor sentiment was dented in July by concerns over the US sub prime debt market and then subsequently assuaged by the Federal Reserve lowering interest rates in September. Consistent with these swings in sentiment, the broad S&P/ASX300 Index fell nearly 12% from its 24 July high, yet it still managed to end the September quarter at a new high, returning 4.5% for the three month period (in Australian dollar terms). A remarkable recovery!

In NZ dollar terms, the S&P/ASX300 Index returned 12.8% for the September quarter, boosted by a marked slip in the NZ dollar against the Australian dollar. Barramundi's relatively subdued performance for the quarter reflects a flight to the apparent safety of larger capitalisation stocks versus smaller growth companies, where the Barramundi portfolio is focused. Accordingly, we take a little consolation when we compare our performance against smaller industrial companies which rose by a modest 3.3% in NZ dollar terms for the quarter.

To put these volatile markets in perspective it is worth reiterating that we don't concentrate on the short term share price performance of our companies. Our sole focus is on what the underlying businesses are doing, and whether they are making the right decisions that will see them hopefully double their earnings over the next three to five years. In this regard, we take a lot of confidence from recently announced profit results (for the June 2007 year) which saw our companies, on average, increase their earnings by around 40% versus the previous year. The accompanying comments from company management also gave us cause to feel optimistic about the period ahead. We know if our companies continue to grow profits like this we will be rewarded with healthy share price gains over time. >

At a Glance

Performance for the period 26 Oct '06 to 30 Sept '07 (since listing):

Net Asset Value	\$1.20	+22.9%*
Diluted Net Asset Value	\$1.13	+16.1%*
Share Price	\$1.08	+8.0%
Warrant Price	\$0.27	+27.0%

*Based on adjusted Net Asset Value per share at listing of \$0.9767, representing the issue price of \$1.00 less issue costs of \$0.0233 per share.

Performance for the three months 1 July '07 to 30 Sep '07:

Net Asset Value	+0.0%**
Diluted Net Asset Value	+0.0%**
Share Price	-4.4%
Warrant price	-15.6%

**Based on NAV and diluted NAV per share after deducting the Performance Fee payable to the Manager in cash (50%). Under International Financial Reporting Standards (IFRS) the remaining 50% payable to the Manager in shares, is accounted for as equity and therefore not deducted from net assets.

Notable Sept Quarter Share Price Gains/(Falls), including Dividends (Australian dollar terms)

Pipe Networks Limited	+43.7%
Oakton Limited	+22.4%
Vision Group Holdings Limited	+21.4%
WHK Group Limited	-22.2%
Bluefreeway Limited	-23.8%

Portfolio Holdings Summary, as at 30 Sept '07:

	ASX Code	% Holding
Aevum Limited	AVE	8.0%
Arrow Energy Limited	AOE	20.7%
Austbrokers Holdings Limited	AUB	1.8%
Bluefreeway Limited	BLU	3.1%
Bravura Solutions Limited	BVA	8.4%
Centrebet International Limited	CIL	4.1%
Credit Corp Group Limited	CCP	10.1%
MacArthurcook Limited	MCK	3.5%
McMillan Shakespeare Limited	MMS	2.9%
Oakton Limited	OKN	6.3%
Pharmaxis Limited	PXS	0.3%
Pipe Networks Limited	PWK	6.1%
Reckon Limited	RKN	3.4%
Tox Free Solutions Limited	TOX	3.6%
Treasury Group Limited	TRG	5.6%
Vision Group Holdings Limited	VGH	4.5%
WHK Group Limited	WHG	4.9%
Equity Total		97.3%
Australian dollar Cash		1.4%
New Zealand dollar Cash		1.3%
Cash Total		2.7%
TOTAL		100.0%

>>> september 2007 update



Portfolio Changes

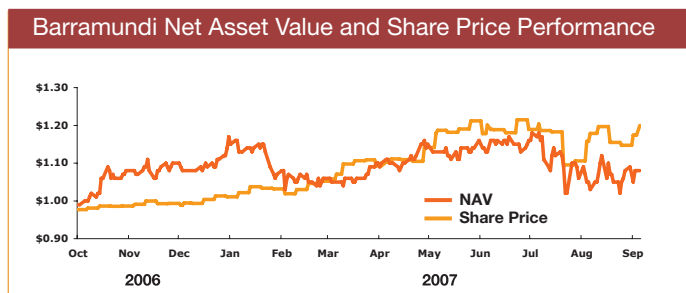
Over the quarter we were pleased to move to a fully invested position largely adding to existing portfolio positions, taking advantage of any share price weakness. We did add one new company over the quarter – a small “toe in the water” investment in a pharmaceutical development company called Pharmaxis.

In our view, Pharmaxis (ASX code: PXS) has a unique opportunity to become a fully integrated Australian-based pharmaceutical manufacturer and distributor. The company is on the cusp of commercialising its range of respiratory pharmaceutical products including Aridol, an asthma diagnosis test, and Bronchitol, a promising treatment for bronchiectasis and cystic fibrosis. Its products are attractive and address potentially large or unmet markets, where competition is generally scarce. However, there are significant hurdles that need to be cleared before Pharmaxis reaches full-scale commercialisation. Until these hurdles are met, Pharmaxis will remain an early stage investment in Barramundi although we are excited by its long term prospects.

Carmel Fisher
Managing Director - Fisher Funds Management Limited
8 October 2007

Relative Performance (30 Sept 2007)	One Month	Three Months	Since Inception (IPO)
Barramundi NAV	+1.8%	+0.0%**	+22.9%
90 Day Bank Bill Index (NZD) + 7% p.a.	+1.3%	+3.9%	+14.7%
Difference	+0.5%	-3.9%	+8.2%
S&P/ASX 300 (in NZD)	+6.7%	+12.8%	+27.4%
S&P/ASX Small Ords (in NZD)	+5.6%	+6.1%	+28.2%

**Based on NAV and diluted NAV per share after deducting the Performance Fee payable to the Manager in cash (50%). Under International Financial Reporting Standards (IFRS) the remaining 50% payable to the Manager in shares, is accounted for as equity and therefore not deducted from net assets.



Points of Interest

Warrant Exercise

We are quickly approaching the warrant exercise period, which begins on 26 October 2007. Warrants can be exercised at any time between 26 October 2007 to 26 October 2009 (a 500 warrant minimum applies).

We have enclosed, for Warrant Holders, further information on the exercise of warrants, as well as an Exercise Form.

Portfolio Investment Entity (PIE) Tax Regime Update

The Portfolio Investment Entity (PIE) tax regime commenced, 1 October 2007.

We reported earlier in our Annual Report for 2007 on the significant advantages the regime brings for shareholders. Please refer to this report or to the FAQ page at www.barramundi.co.nz for further information.

Amalgamation

The legal and reporting structure of the previous Barramundi Group has been simplified by way of amalgamating Barra Holdings Limited and Barra Nursery Limited with Barramundi Limited. Barramundi Limited the remaining entity now holds all assets and liabilities previously held by the subsidiaries. This amalgamation will result in lower administration costs.

Share Price Discount to Diluted Net Asset Value

As mentioned earlier, the past quarter saw significant volatility in local markets and the Barramundi share and warrant prices reflected this, trading within ranges of \$0.97 and \$1.19 and \$0.26 and \$0.35 respectively. The share price closed below both NAV and diluted NAV per share of \$1.13, as at 30 September 2007. Diluted NAV per share reflects the affect on Barramundi's assets should all warrants currently on issue, be notionally exercised at the exercise price of \$1.00.

Share price discounts to diluted NAV occurred at other times during the quarter but there were also a number of occasions where the share price recovered to be on a par with diluted NAV. As such, Barramundi shares have not experienced any prolonged discount to diluted NAV since listing. The Board will consider strategies to mitigate any share price discount to diluted NAV, should a more established trend arise in the future. Such strategies may include a share buy-back programme.

What's coming up?

- Start of optional Warrant Exercise Period - 26 October 2007
- 31 December Interim preliminary result – early February 2008
- 31 December Interim Report publication – early March 2008
- “Update” newsletter March 2008 – April 2008

The Barramundi “Update” newsletter is 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