

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Form N-Q

February 24, 2010

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM N-Q

**QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF REGISTERED
MANAGEMENT INVESTMENT COMPANY**

Investment Company Act file number 811-7920

Western Asset High Income Opportunity Fund Inc.
(Exact name of registrant as specified in charter)

55 Water Street, New York, NY
(Address of principal executive offices)

10041
(Zip code)

Robert I. Frenkel, Esq.
Legg Mason & Co., LLC
100 First Stamford Place
Stamford, CT 06902
(Name and address of agent for service)

Registrant's telephone number, including area code: 1-888-777-0102

Date of fiscal year end: September 30

Date of reporting period: December 31, 2009

ITEM 1.

SCHEDULE OF INVESTMENTS

WESTERN ASSET

HIGH INCOME OPPORTUNITY FUND INC.

FORM N-Q

DECEMBER 31, 2009

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited)

December 31, 2009

Face Amount	Security	Value
CORPORATE BONDS & NOTES 89.3%		
CONSUMER DISCRETIONARY 17.8%		
Auto Components 0.9%		
\$ 390,000	Affinia Group Inc., Senior Secured Notes, 10.750% due 8/15/16 (a)	\$ 424,612
290,000	Allison Transmission Inc., Senior Notes: 11.000% due 11/1/15 (a)	305,950
1,817,200	11.250% due 11/1/15 (a)(b)	1,908,060
170,000	American Axle & Manufacturing Holdings Inc., Senior Secured Notes, 9.250% due 1/15/17 (a)	173,400
660,000	Keystone Automotive Operations Inc., Senior Subordinated Notes, 9.750% due 11/1/13	287,100
435,000	TRW Automotive Inc., Senior Notes, 8.875% due 12/1/17 (a)	454,575
532,000	Visteon Corp., Senior Notes: 8.250% due 8/1/10 (c)	142,310
1,087,000	12.250% due 12/31/16 (a)(c)	461,975
	Total Auto Components	4,157,982
Automobiles 0.6%		
4,220,000	Motors Liquidation Co.: Senior Debentures, 8.375% due 7/15/33 (c)	1,160,500
2,665,000	Senior Notes: 7.200% due 1/15/11 (c)	732,875
2,125,000	7.125% due 7/15/13 (c)	573,750
	Total Automobiles	2,467,125
Diversified Consumer Services 0.4%		
1,550,000	Stonemor Operating LLC/Cornerstone Family Services/Osiris Holdings, Senior Notes, 10.250% due 12/1/17 (a)	1,584,875
Hotels, Restaurants & Leisure 6.7%		
1,345,000	Ameristar Casinos Inc., Senior Notes, 9.250% due 6/1/14 (a)	1,402,162
675,000	Boyd Gaming Corp., Senior Subordinated Notes, 7.125% due 2/1/16	590,625
78,000	Denny's Holdings Inc., Senior Notes, 10.000% due 10/1/12	80,145
1,695,000	Downstream Development Quapaw, Senior Notes, 12.000% due 10/15/15 (a)	1,404,731
2,915,000	El Pollo Loco Inc.: Senior Notes, 11.750% due 11/15/13	2,667,225
725,000	Senior Secured Notes, 11.750% due 12/1/12 (a)	755,813
445,000	Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp., 10.250% due 6/15/15 (a)(c)	6,675
2,750,000	Harrah's Operating Co. Inc.: Senior Notes, 10.750% due 2/1/16	2,255,000
725,000	Senior Secured Notes: 10.000% due 12/15/15 (a)	594,500
1,420,000	11.250% due 6/1/17 (a)	1,492,775
2,200,000	Harrah's Operating Escrow LLC/Harrahs Escrow Corp., Senior Secured Notes, 11.250% due 6/1/17 (a)	2,312,750

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1,640,000	Indianapolis Downs LLC & Capital Corp., Senior Secured Notes, 11.000% due 11/1/12 (a)	1,074,200
3,912,000	Inn of the Mountain Gods Resort & Casino, Senior Notes, 12.000% due 11/15/10 (c)(d)	1,638,150
960,000	Landry's Restaurants Inc., Senior Secured Notes, 11.625% due 12/1/15 (a)	1,022,400
	MGM MIRAGE Inc.:	
	Senior Notes:	
95,000	8.500% due 9/15/10	95,000
1,915,000	11.375% due 3/1/18 (a)	1,723,500
	Senior Secured Notes:	
150,000	10.375% due 5/15/14 (a)	163,500
360,000	11.125% due 11/15/17 (a)	400,500
3,090,000	Senior Subordinated Notes, 8.375% due 2/1/11	2,943,225

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2009

Face Amount	Security	Value
Hotels, Restaurants & Leisure 6.7% (continued)		
\$ 1,300,000	Mohegan Tribal Gaming Authority: Senior Secured Notes, 11.500% due 11/1/17 (a)	\$ 1,332,500
225,000	Senior Subordinated Notes, 6.875% due 2/15/15	147,375
1,440,000	NCL Corp. Ltd., Senior Secured Notes, 11.750% due 11/15/16 (a)	1,429,200
430,000	Penn National Gaming Inc., Senior Subordinated Notes, 8.750% due 8/15/19 (a)	441,825
1,295,000	Pinnacle Entertainment Inc., Senior Notes, 8.625% due 8/1/17 (a)	1,327,375
1,065,000	Sbarro Inc., Senior Notes, 10.375% due 2/1/15	841,350
	Snoqualmie Entertainment Authority, Senior Secured Notes:	
890,000	4.680% due 2/1/14 (a)(e)	440,550
165,000	9.125% due 2/1/15 (a)	88,275
	Station Casinos Inc.:	
	Senior Notes:	
1,515,000	6.000% due 4/1/12 (c)(d)	236,719
2,265,000	7.750% due 8/15/16 (c)(d)	365,231
85,000	Senior Subordinated Notes, 6.625% due 3/15/18 (c)(d)	850
405,000	Wynn Las Vegas LLC/Wynn Las Vegas Capital Corp., Secured Notes, 7.875% due 11/1/17 (a)	412,088
	Total Hotels, Restaurants & Leisure	29,686,214
Household Durables 0.8%		
865,000	American Greetings Corp., Senior Notes: 7.375% due 6/1/16	847,700
55,000	7.375% due 6/1/16	50,600
1,790,000	Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated Notes, 9.000% due 11/1/11 (d)	1,792,237
1,023,000	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes, 9.750% due 9/1/12 (d)	987,195
	Total Household Durables	3,677,732
Media 5.5%		
565,000	Affinion Group Inc.:	
	Senior Notes, 10.125% due 10/15/13	583,363
	Senior Subordinated Notes:	
1,150,000	10.125% due 10/15/13	1,187,375
4,200,000	11.500% due 10/15/15	4,420,500
551,225	CCH II LLC/CCH II Capital Corp., Senior Notes, 13.500% due 11/30/16 (a)	646,311
	Cengage Learning Acquisitions Inc.:	
450,000	Senior Notes, 10.500% due 1/15/15 (a)	432,563
1,380,000	Senior Subordinated Notes, 13.250% due 7/15/15 (a)	1,347,225
3,140,000	Charter Communications Inc., Senior Secured Notes, 10.875% due 9/15/14 (a)	3,532,500
	CSC Holdings Inc., Senior Notes, 8.500% due 6/15/15 (a)	1,605,000
1,500,000		1,605,000
3,910,000	DISH DBS Corp., Senior Notes, 7.875% due 9/1/19	4,120,162
1,915,000		189,106

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	R.H. Donnelley Corp., Senior Notes, 8.875% due 1/15/16 (c)	
1,250,000	Sinclair Broadcast Group Inc., Senior Subordinated Notes,	
	8.000% due 3/15/12	1,225,000
1,060,000	Sun Media Corp., Senior Notes, 7.625% due 2/15/13	971,225
1,975,000	Univision Communications Inc., Senior Secured Notes, 12.000% due 7/1/14 (a)	2,184,844
675,000	UPC Holding BV, Senior Notes, 9.875% due 4/15/18 (a)	715,500
	Virgin Media Finance PLC:	
500,000	Senior Bonds, 9.500% due 8/15/16	539,375
537,000	Senior Notes, 9.125% due 8/15/16	568,549
	Total Media	24,268,598
Multiline Retail 0.8%		
158,000	Dollar General Corp., Senior Notes, 10.625% due 7/15/15	175,775

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2009

Face Amount	Security	Value
Multiline Retail 0.8% (continued)		
\$ 2,329,028	Neiman Marcus Group Inc.:	
1,090,000	Senior Notes, 9.000% due 10/15/15 (b)	\$ 2,288,270
	Senior Secured Notes, 7.125% due 6/1/28	964,650
	Total Multiline Retail	3,428,695
Specialty Retail 1.5%		
1,495,000	Blockbuster Inc., Senior Secured Notes, 11.750% due 10/1/14 (a)	1,427,725
365,000	Eye Care Centers of America, Senior Subordinated Notes, 10.750% due 2/15/15	375,037
155,000	Limited Brands Inc., Senior Notes, 8.500% due 6/15/19 (a)	169,338
2,575,000	Michaels Stores Inc.:	2,678,000
610,000	Senior Notes, 10.000% due 11/1/14	645,075
1,640,000	Senior Subordinated Bonds, 11.375% due 11/1/16	1,361,200
	Senior Subordinated Notes, step bond to yield 3.070% due 11/1/16	1,361,200
	Total Specialty Retail	6,656,375
Textiles, Apparel & Luxury Goods 0.6%		
2,340,000	Oxford Industries Inc., Senior Secured Notes, 11.375% due 7/15/15	2,585,700
	TOTAL CONSUMER DISCRETIONARY	78,513,296
CONSUMER STAPLES 1.5%		
Food Products 0.6%		
560,000	Bumble Bee Foods LLC, Senior Secured Notes, 7.750% due 12/15/15 (a)	562,800
880,000	Del Monte Corp., Senior Subordinated Notes, 7.500% due 10/15/19 (a)	910,800
700,000	Dole Food Co. Inc., Senior Secured Notes, 8.000% due 10/1/16 (a)	714,000
605,000	Smithfield Foods Inc., Senior Secured Notes, 10.000% due 7/15/14 (a)	659,450
	Total Food Products	2,847,050
Household Products 0.4%		
670,000	American Achievement Corp., Senior Subordinated Notes, 8.250% due 4/1/12 (a)	671,675
950,000	Reynolds Group DL Escrow Inc./Reynolds Group Escrow LLC, Senior Secured Notes, 7.750% due 10/15/16 (a)	976,125
	Total Household Products	1,647,800
Personal Products 0.2%		
760,000	Revlon Consumer Products Corp., Senior Secured Notes, 9.750% due 11/15/15 (a)	788,500
Tobacco 0.3%		
830,000	Alliance One International Inc., Senior Notes: 10.000% due 7/15/16 (a)	875,650
660,000	10.000% due 7/15/16 (a)	696,300
	Total Tobacco	1,571,950
	TOTAL CONSUMER STAPLES	6,855,300

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ENERGY 12.3%

Energy Equipment & Services 1.5%

1,505,000	Basic Energy Services Inc., Senior Secured Notes, 11.625% due 8/1/14	1,617,875
1,150,000	Complete Production Services Inc., Senior Notes, 8.000% due 12/15/16	1,139,938
610,000	Geokinetics Holdings Inc., Senior Secured Notes, 9.750% due 12/15/14 (a)	602,375
895,000	Hercules Offshore LLC, Senior Secured Notes, 10.500% due 10/15/17 (a)	948,700
1,475,000	Key Energy Services Inc., Senior Notes, 8.375% due 12/1/14	1,486,063
550,000	North American Energy Alliance LLC/North American Energy Alliance Finance Corp., Senior Secured Notes, 10.875% due 6/1/16 (a)	587,125
60,000	Southern Natural Gas Co., Senior Notes, 8.000% due 3/1/32	69,298
	Total Energy Equipment & Services	6,451,374

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2009

Face Amount	Security	Value
Oil, Gas & Consumable Fuels 10.8%		
\$ 400,000	Adaro Indonesia PT, Notes, 7.625% due 10/22/19 (a)	\$ 397,500
1,230,000	Arch Coal Inc., Senior Notes, 8.750% due 8/1/16 (a)	1,306,875
1,730,000	Atlas Pipeline Partners LP, Senior Notes, 8.750% due 6/15/18	1,539,700
4,172,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12	3,921,680
1,155,000	Berry Petroleum Co., Senior Notes, 10.250% due 6/1/14	1,261,837
2,285,000	Chesapeake Energy Corp., Senior Notes: 6.625% due 1/15/16	2,273,575
1,180,000	6.250% due 1/15/18	1,138,700
585,000	7.250% due 12/15/18	592,313
360,000	Compagnie Generale de Geophysique SA, Senior Notes, 7.500% due 5/15/15	359,100
810,000	Compagnie Generale de Geophysique-Veritas, Senior Notes, 9.500% due 5/15/16 (a)	870,750
3,479,221	Corral Petroleum Holdings AB, Senior Secured Subordinated Bonds, 1.784% due 4/15/10 (a)(b)(c)(f)	2,835,565
345,000	Encore Acquisition Co., Senior Subordinated Notes, 9.500% due 5/1/16	365,700
1,380,000	Enterprise Products Operating LLP: Junior Subordinated Notes, 8.375% due 8/1/66	1,347,166
620,000	Subordinated Notes, 7.034% due 1/15/68	569,696
1,110,000	Forest Oil Corp., Senior Notes, 8.500% due 2/15/14 (a)	1,165,500
70,000	Griffin Coal Mining Co. Pty Ltd., Senior Notes, 9.500% due 12/1/16 (a)(c)	41,738
2,815,000	International Coal Group Inc., Senior Notes, 10.250% due 7/15/14	2,719,994
940,000	Mariner Energy Inc., Senior Notes: 7.500% due 4/15/13	940,000
555,000	8.000% due 5/15/17	535,575
480,000	MarkWest Energy Partners LP/MarkWest Energy Finance Corp., Senior Notes, 8.750% due 4/15/18	496,800
1,720,000	Murray Energy Corp., Senior Secured Notes, 10.250% due 10/15/15 (a)	1,720,000
1,000,000	OPTI Canada Inc., Senior Secured Notes: 9.000% due 12/15/12 (a)	1,027,500
345,000	7.875% due 12/15/14	284,625
920,000	8.250% due 12/15/14	762,450
1,495,000	Petrohawk Energy Corp., Senior Notes, 9.125% due 7/15/13	1,569,750
630,000	Petroplus Finance Ltd., Senior Notes: 6.750% due 5/1/14 (a)	595,350
780,000	7.000% due 5/1/17 (a)	705,900
1,125,000	Plains Exploration & Production Co., Senior Notes: 10.000% due 3/1/16	1,237,500
1,195,000	8.625% due 10/15/19	1,233,837
	Quicksilver Resources Inc., Senior Notes:	

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1,200,000	8.250% due 8/1/15	1,236,000
455,000	11.750% due 1/1/16	518,700
	SandRidge Energy Inc., Senior Notes, 8.625% due 4/1/15	
4,200,000	(b)	4,221,000
1,575,000	Teekay Corp., Senior Notes, 8.875% due 7/15/11	1,639,969
	Tennessee Gas Pipeline Co., Senior Notes, 8.375% due	
3,270,000	6/15/32	3,899,733
1,325,000	W&T Offshore Inc., Senior Notes, 8.250% due 6/15/14 (a)	1,265,375
	Whiting Petroleum Corp., Senior Subordinated Notes,	
1,275,000	7.000% due 2/1/14	1,286,156
	Total Oil, Gas & Consumable Fuels	47,883,609
	TOTAL ENERGY	54,334,983
FINANCIALS 13.8%		
Capital Markets 0.1%		
1,420,000	Lehman Brothers Holdings Inc., Medium-Term Notes,	
	Senior Notes, 5.250% due 2/6/12 (c)	284,000

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2009

Face Amount	Security	Value
Commercial Banks 1.5%		
\$ 830,000	BAC Capital Trust VI, Capital Securities, Junior Subordinated Notes, 5.625% due 3/8/35	\$ 666,446
600,000	BankAmerica Institutional Capital B, Junior Subordinated Bonds, 7.700% due 12/31/26 (a)	570,000
700,000	Credit Agricole SA, Subordinated Notes, 8.375% due 10/13/19 (a)(g)	744,352
765,000	Royal Bank of Scotland Group PLC, Subordinated Notes: 5.000% due 11/12/13	687,618
330,000	5.050% due 1/8/15	286,568
3,090,000	Wells Fargo Capital XIII, Medium-Term Notes, 7.700% due 3/26/13 (e)(g)	3,012,750
605,000	Wells Fargo Capital XV, Junior Subordinated Notes, 9.750% due 9/26/13 (e)(g)	650,375
	Total Commercial Banks	6,618,109
Consumer Finance 5.0%		
2,440,000	FMG Finance Pty Ltd., Senior Secured Notes, 10.625% due 9/1/16 (a)	2,711,450
1,000,000	Ford Motor Credit Co., Senior Notes, 9.875% due 8/10/11	1,047,406
2,045,000	Ford Motor Credit Co., LLC, Senior Notes: 7.500% due 8/1/12	2,063,485
8,165,000	12.000% due 5/15/15	9,477,932
5,304,000	GMAC LLC: Senior Notes, 8.000% due 11/1/31 (a)	4,826,640
74,000	Subordinated Notes, 8.000% due 12/31/18 (a)	65,860
905,000	SLM Corp.: Medium-Term Notes, 5.625% due 8/1/33	684,268
1,465,000	Senior Notes, 8.450% due 6/15/18	1,447,738
	Total Consumer Finance	22,324,779
Diversified Financial Services 4.4%		
1,120,000	Capital One Capital V, Junior Subordinated Notes, Cumulative Trust Preferred Securities, 10.250% due 8/15/39	1,305,377
2,255,000	CCM Merger Inc., Notes, 8.000% due 8/1/13 (a)	1,840,644
212,281	CIT Group Inc., Senior Secured Bonds: 7.000% due 5/1/13	199,544
318,421	7.000% due 5/1/14	296,530
318,421	7.000% due 5/1/15	286,579
630,702	7.000% due 5/1/16	558,171
2,812,982	7.000% due 5/1/17	2,454,327
1,250,000	Fresenius U.S. Finance II Inc., Senior Notes, 9.000% due 7/15/15 (a)	1,381,250
195,000	International Lease Finance Corp., Medium-Term Notes, Senior Notes, 5.750% due 6/15/11	179,225
2,040,000	JPMorgan Chase & Co., Junior Subordinated Notes, 7.900% due 4/30/18 (e)(g)	2,111,061

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	Leucadia National Corp., Senior Notes:	
450,000	7.750% due 8/15/13	453,937
1,220,000	8.125% due 9/15/15	1,250,500
	TNK-BP Finance SA:	
1,525,000	7.875% due 3/13/18 (a)	1,578,375
744,000	Senior Notes, 7.875% due 3/13/18 (a)	768,180
	UPC Germany GmbH, Senior Secured Bonds, 8.125%	
1,200,000	due 12/1/17 (a)	1,219,500
2,850,000	Vanguard Health Holdings Co., I LLC, Senior Discount	
	Notes,	
	11.250% due 10/1/15	3,013,875
580,000	Vanguard Health Holdings Co., II LLC, Senior	
	Subordinated Notes, 9.000% due 10/1/14	603,925
	Total Diversified Financial Services	19,501,000

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2009

Face Amount	Security	Value
Insurance 1.4%		
\$ 860,000	American International Group Inc.: Junior Subordinated Notes, 8.175% due 5/15/58 (e)	\$ 574,050
2,335,000	Medium-Term Notes, Senior Notes: 5.450% due 5/18/17	1,892,445
615,000	5.850% due 1/16/18	505,390
520,000	Senior Notes: 5.050% due 10/1/15	434,330
1,465,000	8.250% due 8/15/18	1,377,471
1,160,000	Everest Reinsurance Holdings Inc., Subordinated Notes, 6.600% due 5/15/37	864,200
590,000	MetLife Capital Trust IV, Junior Subordinated Notes, 7.875% due 12/15/37 (a)	592,950
	Total Insurance	6,240,836
Real Estate Investment Trusts (REITs) 0.6%		
700,000	DuPont Fabros Technology LP, Senior Notes, 8.500% due 12/15/17 (a)	714,875
425,000	Host Hotels & Resorts, LP, Senior Notes, 6.375% due 3/15/15	418,625
360,000	Ventas Realty LP/Ventas Capital Corp., Senior Notes: 6.500% due 6/1/16	349,200
1,165,000	6.750% due 4/1/17	1,132,963
	Total Real Estate Investment Trusts (REITs)	2,615,663
Real Estate Management & Development 0.6%		
660,400	Ashton Woods USA LLC, Ashton Woods Finance Co., Senior Subordinated Notes, step bond to yield 23.322% due 6/30/15 (a)(d)	165,100
2,830,000	Realogy Corp.: Senior Notes, 10.500% due 4/15/14	2,462,100
216,770	Senior Toggle Notes, 11.000% due 4/15/14 (b)	179,919
	Total Real Estate Management & Development	2,807,119
Thriffs & Mortgage Finance 0.2%		
880,000	Ocwen Capital Trust I, Junior Subordinated Capital Securities, 10.875% due 8/1/27	778,800
	TOTAL FINANCIALS	61,170,306
HEALTH CARE 6.3%		
Biotechnology 0.2%		
810,000	Talecris Biotherapeutics Holdings Corp., Senior Notes, 7.750% due 11/15/16 (a)	826,200
Health Care Equipment & Supplies 0.5%		
910,000	Biomet Inc.: Senior Notes, 10.000% due 10/15/17	993,037
950,000	Senior Toggle Notes, 10.375% due 10/15/17 (b)	1,035,500
	Total Health Care Equipment & Supplies	2,028,537
Health Care Providers & Services 5.6%		
3,515,000	CRC Health Corp., Senior Subordinated Notes, 10.750% due 2/1/16	2,970,175
	HCA Inc.:	

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3,920,000	Debentures, 7.500% due 11/15/95	3,116,870
40,000	Senior Notes, 6.250% due 2/15/13	39,100
	Senior Secured Notes:	
1,380,000	9.625% due 11/15/16 (b)	1,497,300
2,820,000	7.875% due 2/15/20 (a)	2,943,375
2,000,000	IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14	2,035,000
	Tenet Healthcare Corp., Senior Notes:	
1,200,000	9.000% due 5/1/15 (a)	1,302,000
3,070,000	10.000% due 5/1/18 (a)	3,453,750

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2009

Face Amount	Security	Value
Health Care Providers & Services 5.6% (continued)		
\$ 530,000	Universal Hospital Services Inc., Senior Secured Notes:	
1,990,000	3.859% due 6/1/15 (e)	\$ 449,175
	8.500% due 6/1/15 (b)	1,970,100
3,635,000	US Oncology Holdings Inc., Senior Notes, 7.178% due 3/15/12 (b)(e)	3,416,900
1,685,000	US Oncology Inc., Senior Secured Notes, 9.125% due 8/15/17	1,777,675
	Total Health Care Providers & Services	24,971,420
Pharmaceuticals 0.0%		
4,870,000	Leiner Health Products Inc., Senior Subordinated Notes,	
	11.000% due 6/1/12 (c)(d)	6,575
	TOTAL HEALTH CARE	27,832,732
INDUSTRIALS 10.7%		
Aerospace & Defense 1.6%		
190,000	Freedom Group Inc., Senior Secured Notes, 10.250% due 8/1/15 (a)	202,587
5,607,684	Hawker Beechcraft Acquisition Co., Senior Notes, 8.875% due 4/1/15 (b)	3,448,726
1,460,000	L-3 Communications Corp., Senior Subordinated Notes,	
	5.875% due 1/15/15	1,465,475
1,690,000	TransDigm Inc., Senior Subordinated Notes, 7.750% due 7/15/14 (a)	1,723,800
	Total Aerospace & Defense	6,840,588
Airlines 2.5%		
400,000	American Airlines Inc., Senior Secured Notes, 10.500% due 10/15/12 (a)	420,000
180,000	Continental Airlines Inc.:	
	9.250% due 5/10/17	182,925
206,943	Pass-Through Certificates:	
930,000	8.312% due 4/2/11	193,491
	7.339% due 4/19/14	848,625
5,145,000	DAE Aviation Holdings Inc., Senior Notes, 11.250% due 8/1/15 (a)	4,373,250
	Delta Air Lines Inc.:	
	Pass-Through Certificates:	
1,825,000	7.711% due 9/18/11	1,797,625
961,310	8.954% due 8/10/14	855,566
630,000	Subordinated Notes, 9.750% due 12/17/16	641,025
	Senior Secured Notes:	
655,000	9.500% due 9/15/14 (a)	683,656
720,000	12.250% due 3/15/15 (a)	723,600
	United Airlines Inc., Pass-Through Certificates,	
305,916	6.932% due 9/1/11	308,975
	Total Airlines	11,028,738
Building Products 1.2%		

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4,265,000	Associated Materials Inc., Senior Discount Notes, 11.250% due 3/1/14	4,137,050
763,378	Nortek Inc., Senior Secured Notes, 11.000% due 12/1/13	801,547
225,000	USG Corp., Senior Notes, 9.750% due 8/1/14 (a)	241,312
	Total Building Products	5,179,909
Commercial Services & Supplies 2.0%		
1,170,000	ACCO Brands Corp., Senior Secured Notes, 10.625% due 3/15/15 (a)	1,292,850
280,000	Altegrity Inc., Senior Subordinated Notes: 10.500% due 11/1/15 (a)	251,300
2,405,000	11.750% due 5/1/16 (a)	2,083,331
1,080,000	DynCorp International LLC/DIV Capital Corp., Senior Subordinated Notes, 9.500% due 2/15/13	1,098,900
720,000	Geo Group Inc., Senior Notes, 7.750% due 10/15/17 (a)	740,700
2,495,000	RSC Equipment Rental Inc.: Senior Notes, 9.500% due 12/1/14	2,510,594
965,000	Senior Secured Notes, 10.000% due 7/15/17 (a)	1,054,262
	Total Commercial Services & Supplies	9,031,937

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2009

Face Amount	Security	Value
Machinery 0.3%		
\$ 730,000	American Railcar Industries Inc., Senior Notes, 7.500% due 3/1/14	\$ 685,287
530,000	Trimas Corp., Senior Secured Notes, 9.750% due 12/15/17 (a)	522,713
	Total Machinery	1,208,000
Marine 0.4%		
1,710,000	Trico Shipping AS, Senior Secured Notes, 11.875% due 11/1/14 (a)	1,789,088
Road & Rail 1.9%		
3,210,000	Kansas City Southern de Mexico, Senior Notes: 9.375% due 5/1/12	3,346,425
520,000	7.375% due 6/1/14	509,600
1,755,000	12.500% due 4/1/16	2,027,025
355,000	Kansas City Southern Railway, Senior Notes, 13.000% due 12/15/13	413,575
2,016,000	RailAmerica Inc., Senior Secured Notes, 9.250% due 7/1/17	2,154,600
	Total Road & Rail	8,451,225
Trading Companies & Distributors 0.8%		
770,000	Ashtead Capital Inc., Notes, 9.000% due 8/15/16 (a)	774,813
465,000	Ashtead Holdings PLC, Senior Secured Notes, 8.625% due 8/1/15 (a)	469,650
1,210,000	H&E Equipment Services Inc., Senior Notes, 8.375% due 7/15/16	1,217,562
1,915,000	Penhall International Corp., Senior Secured Notes, 12.000% due 8/1/14 (a)(d)	1,211,238
	Total Trading Companies & Distributors	3,673,263
	TOTAL INDUSTRIALS	47,202,748
INFORMATION TECHNOLOGY 2.0%		
Communications Equipment 0.5%		
3,140,000	Lucent Technologies Inc., Debentures, 6.450% due 3/15/29	2,264,725
IT Services 0.9%		
1,469,700	Ceridian Corp., Senior Notes, 12.250% due 11/15/15 (b)	1,396,215
250,000	First Data Corp.: 5.625% due 11/1/11	210,000
1,385,000	Senior Notes, 9.875% due 9/24/15	1,284,588
1,050,000	GXS Worldwide Inc., Senior Secured Notes, 9.750% due 6/15/15 (a)	1,036,875
	Total IT Services	3,927,678
Semiconductors & Semiconductor Equipment 0.6%		
350,000	Advanced Micro Devices Inc., Senior Notes, 8.125% due 12/15/17 (a)	350,438
	Freescale Semiconductor Inc.:	