

WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC.

Form N-Q

February 28, 2008

**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)

125 Broad Street, New York, NY
(Address of principal executive offices)

10004
(Zip code)

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

Registrant's telephone number, including area code: 1-800-451-2010

Date of fiscal year end: September 30

Date of reporting period: December 31, 2007

ITEM 1. SCHEDULE OF INVESTMENTS

WESTERN ASSET HIGH INCOME

OPPORTUNITY FUND INC.

FORM N-Q

DECEMBER 31, 2007

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited)

December 31, 2007

Face Amount	Security	Value
CORPORATE BONDS & NOTES 90.5%		
Aerospace & Defense 1.7%		
\$ 995,000	Alliant Techsystems Inc., Senior Subordinated Notes, 6.750% due 4/1/16	\$ 999,975
850,000	DRS Technologies Inc., Senior Subordinated Notes:	843,625
1,405,000	6.625% due 2/1/16	1,429,588
3,895,000	7.625% due 2/1/18	
	Hawker Beechcraft Acquisition Co., Senior Notes, 8.875% due 4/1/15 (a)(b)	3,865,787
1,460,000	L-3 Communications Corp., Senior Subordinated Notes, 5.875% due 1/15/15	1,416,200
	Total Aerospace & Defense	8,555,175
Airlines 2.6%		
1,010,000	Continental Airlines Inc.: Notes, 8.750% due 12/1/11	956,975
	Pass-Through Certificates:	
297,069	8.312% due 4/2/11	292,228
930,000	7.339% due 4/19/14	857,925
3,950,000	DAE Aviation Holdings Inc., Senior Notes, 11.250% due 8/1/15 (a)	4,187,000
1,110,000	Delta Air Lines Inc., 8.954% due 8/10/14 (a)	1,087,800
	United Airlines Inc., Pass-Through Certificates:	
1,045,000	6.831% due 9/1/08	1,213,977
2,268,135	7.811% due 10/1/09	2,676,399
962,968	8.030% due 7/1/11	1,121,858
460,000	6.932% due 9/1/11	547,400
	Total Airlines	12,941,562
Auto Components 1.7%		
970,000	Allison Transmission Inc.:	
1,920,000	11.000% due 11/1/15 (a)	887,550
1,820,000	11.250% due 11/1/15 (a)(b)	1,704,000
	Keystone Automotive Operations Inc., Senior Subordinated Notes, 9.750% due 11/1/13	1,346,800
5,400,000	Visteon Corp., Senior Notes, 8.250% due 8/1/10	4,806,000
	Total Auto Components	8,744,350
Automobiles 1.7%		
505,000	Ford Motor Co., Debentures, 8.900% due 1/15/32	393,900
1,330,000	General Motors Corp.: Notes, 7.200% due 1/15/11	1,226,925
	Senior Debentures:	
1,350,000	8.250% due 7/15/23	1,080,000
5,040,000	8.375% due 7/15/33	4,082,400
2,125,000	Senior Notes, 7.125% due 7/15/13	1,848,750
	Total Automobiles	8,631,975
Building Products 1.5%		
5,640,000	Associated Materials Inc.:	
225,000	Senior Discount Notes, step bond to yield 12.271% due 3/1/14	3,637,800
1,390,000	Senior Subordinated Notes, 9.750% due 4/15/12	230,625
3,890,000	Nortek Inc., Senior Subordinated Notes, 8.500% due 9/1/14	1,118,950
		2,295,100

Edgar Filing: WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC. - Form N-Q

		NTK Holdings Inc., Senior Discount Notes, step bond to yield 11.354% due 3/1/14	
Chemicals	1.4%	Total Building Products	7,282,475
	1,895,000	Georgia Gulf Corp., Senior Notes:	
	850,000	9.500% due 10/15/14	1,520,738
		10.750% due 10/15/16	573,750

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2007

Chemicals	Face Amount	Security	Value
	1.4% (continued)		
\$	800,000	Huntsman International LLC, Senior Subordinated Notes, 7.875% due 11/15/14	\$ 852,000
	1,440,000	Methanex Corp., Senior Notes, 8.750% due 8/15/12	1,551,600
	2,870,000	Montell Finance Co. BV, Debentures, 8.100% due 3/15/27 (a)	2,195,550
	494,000	Westlake Chemical Corp., Senior Notes, 6.625% due 1/15/16	469,300
		Total Chemicals	7,162,938
Commercial Banks	0.4%		
	500,000	ATF Capital BV, Senior Notes, 9.250 % due 2/21/14 (a)	506,250
	1,530,000	TuranAlem Finance BV, Bonds: 8.250% due 1/22/37 (a)	1,311,975
	470,000	8.250% due 1/22/37 (a)	401,850
		Total Commercial Banks	2,220,075
Commercial Services & Supplies	2.5%		
	2,705,000	Allied Security Escrow Corp., Senior Subordinated Notes, 11.375% due 7/15/11	2,556,225
	1,120,000	Allied Waste North America Inc., Senior Notes, 6.875% due 6/1/17	1,097,600
	525,000	Ashtead Holdings PLC, Secured Notes, 8.625% due 8/1/15 (a)	462,000
	4,100,000	DynCorp International LLC/DIV Capital Corp., Senior Subordinated Notes, 9.500% due 2/15/13	4,289,625
	2,150,000	Interface Inc., Senior Notes, 10.375% due 2/1/10	2,262,875
	1,255,000	Rental Services Corp., 9.500% due 12/1/14	1,129,500
	1,110,000	US Investigations Services Inc., 11.750% due 5/1/16 (a)	971,250
		Total Commercial Services & Supplies	12,769,075
Communications Equipment	0.5%		
	3,140,000	Lucent Technologies Inc., Debentures, 6.450% due 3/15/29	2,610,125
Consumer Finance	4.3%		
	1,655,000	AmeriCredit Corp., Senior Notes, 8.500% due 7/1/15 (a)	1,270,212
	925,000	Ford Motor Credit Co.: Notes: 7.875% due 6/15/10	853,925
	2,535,000	9.693% due 4/15/12 (c)	2,493,591
	1,140,000	7.000% due 10/1/13	953,412
	1,037,000	Senior Notes: 10.241% due 6/15/11 (c)	983,817
	2,245,000	9.875% due 8/10/11	2,124,940
	1,190,000	7.993% due 1/13/12 (c)	1,000,392
	1,140,000	8.000% due 12/15/16	969,784
	8,080,000	General Motors Acceptance Corp.: Bonds, 8.000% due 11/1/31	6,794,238
	4,660,000	Notes, 6.875% due 8/28/12	3,908,603
		Total Consumer Finance	21,352,914
Containers & Packaging	0.7%		
	2,745,000	Graphic Packaging International Corp., Senior Subordinated Notes, 9.500% due 8/15/13	2,724,412
	955,000	Plastipak Holdings Inc., Senior Notes, 8.500% due 12/15/15 (a)	959,775
	725,000	Radnor Holdings Corp., Senior Notes, 11.000% due 3/15/10 (d)	9,063
		Total Containers & Packaging	3,693,250
Diversified Consumer Services	0.5%		

1,175,000

Education Management LLC/Education Management Finance
Corp., Senior Notes, 8.750% due 6/1/14

1,185,281

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2007

Face Amount	Security	Value
Diversified Consumer Services 0.5% (continued)		
\$ 1,225,000	Service Corp. International, Debentures, 7.875% due 2/1/13	\$ 1,237,587
	Total Diversified Consumer Services	2,422,868
Diversified Financial Services 1.9%		
1,085,000	Basell AF SCA, Senior Secured Subordinated Second Priority Notes, 8.375% due 8/15/15 (a)	881,562
1,250,000	CCM Merger Inc., Notes, 8.000% due 8/1/13 (a)	1,184,375
450,000	Leucadia National Corp.: 7.125% due 3/15/17	418,500
1,220,000	Senior Notes, 8.125% due 9/15/15	1,226,100
1,115,000	Residential Capital LLC: 8.544% due 4/17/09 (a)(c)	554,713
710,000	8.375% due 6/30/15	433,100
1,990,000	Notes, 7.875% due 6/30/10	1,283,550
2,385,000	Senior Notes, 7.500% due 2/22/11	1,496,587
1,730,000	Vanguard Health Holdings Co. I LLC, Senior Discount Notes, step bond to yield 13.681% due 10/1/15 (c)	1,288,850
765,000	Vanguard Health Holdings Co. II LLC, Senior Subordinated Notes, 9.000% due 10/1/14	740,138
	Total Diversified Financial Services	9,507,475
Diversified Telecommunication Services 6.1%		
385,000	Cincinnati Bell Telephone Co., Senior Debentures, 6.300% due 12/1/28	335,913
160,000	Citizens Communications Co.: 7.050% due 10/1/46	130,400
2,185,000	Senior Notes, 7.875% due 1/15/27	2,092,137
1,555,000	GT Group Telecom Inc., Senior Discount Notes, 13.250% due 2/1/10 (d)(e)(f)	0
350,000	Hawaiian Telcom Communications Inc.: 9.750% due 5/1/13	349,125
480,000	Senior Subordinated Notes, 12.500% due 5/1/15	498,000
3,745,000	Intelsat Bermuda Ltd., Senior Notes, 11.250% due 6/15/16	3,885,437
720,000	Intelsat Corp., Senior Notes, 9.000% due 8/15/14	727,200
570,000	L-3 Communications Corp., Senior Subordinated Notes, 6.375% due 10/15/15	564,300
3,210,000	Level 3 Financing Inc.: 9.250% due 11/1/14	2,921,100
420,000	9.150% due 2/15/15 (c)	355,950
2,200,000	Nordic Telephone Co. Holdings, Senior Secured Bonds, 8.875% due 5/1/16 (a)	2,266,000
250,000	Qwest Communications International Inc., Senior Notes: 8.369% due 2/15/09 (c)	251,250
1,440,000	7.500% due 2/15/14	1,443,600
4,245,000	Telcordia Technologies Inc., Senior Subordinated Notes, 10.000% due 3/15/13 (a)	3,396,000
585,000	Virgin Media Finance PLC, Senior Notes: 8.750% due 4/15/14	583,538
3,022,000	9.125% due 8/15/16	3,006,890
4,195,000		4,593,525

Edgar Filing: WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC. - Form N-Q

		Wind Acquisition Finance SA, Senior Bonds, 10.750% due 12/1/15 (a)	
	2,990,000	Windstream Corp., Senior Notes, 8.625% due 8/1/16	3,154,450
Electric Utilities	1.7%	Total Diversified Telecommunication Services	30,554,815
	2,350,000	Orion Power Holdings Inc., Senior Notes, 12.000% due 5/1/10	2,573,250
	3,720,000	Texas Competitive Electric Holding Co. LLC, 10.500% due 11/1/16 (a)(b)	3,692,100
	2,335,000	VeraSun Energy Corp., Senior Notes, 9.375% due 6/1/17 (a)	2,048,963
		Total Electric Utilities	8,314,313

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2007

Face Amount	Security	Value
Electronic Equipment & Instruments 0.3%		
\$ 575,000	NXP BV/NXP Funding LLC:	
1,240,000	Senior Notes, 9.500% due 10/15/15	\$ 528,281
	Senior Secured Notes, 7.875% due 10/15/14	1,184,200
	Total Electronic Equipment & Instruments	1,712,481
Energy Equipment & Services 2.3%		
2,305,000	ANR Pipeline Co., Debentures, 9.625% due 11/1/21	3,079,874
1,900,000	Complete Production Services Inc., Senior Notes, 8.000% due 12/15/16	1,847,750
1,810,000	Key Energy Services Inc., 8.375% due 12/1/14 (a)	1,859,775
625,000	Pride International Inc., Senior Notes, 7.375% due 7/15/14	645,312
60,000	Southern Natural Gas Co., Senior Notes, 8.000% due 3/1/32	67,146
3,270,000	Tennessee Gas Pipeline Co., Bonds, 8.375% due 6/15/32	3,803,867
	Total Energy Equipment & Services	11,303,724
Food & Staples Retailing 0.4%		
1,506,000	Delhaize America Inc., Debentures, 9.000% due 4/15/31	1,748,731
Food Products 0.5%		
2,025,000	Dole Food Co. Inc., Senior Notes:	
575,000	7.250% due 6/15/10	1,852,875
	8.875% due 3/15/11	534,750
	Total Food Products	2,387,625
Gas Utilities 0.6%		
2,890,000	Suburban Propane Partners LP/Suburban Energy Finance Corp., Senior Notes, 6.875% due 12/15/13	2,817,750
Health Care Equipment & Supplies 0.2%		
1,130,000	Advanced Medical Optics Inc., 7.500% due 5/1/17	1,045,250
Health Care Providers & Services 5.5%		
780,000	Community Health Systems Inc., 8.875% due 7/15/15	798,525
	DaVita Inc.:	
1,340,000	Senior Notes, 6.625% due 3/15/13	1,340,000
1,640,000	Senior Subordinated Notes, 7.250% due 3/15/15	1,652,300
	HCA Inc.:	
1,640,000	9.250% due 11/15/16	1,726,100
3,920,000	Debentures, 7.500% due 11/15/95	3,015,440
	Notes:	
1,150,000	6.375% due 1/15/15	977,500
970,000	7.690% due 6/15/25	807,914
40,000	Senior Notes, 6.250% due 2/15/13	35,200
2,885,000	Senior Secured Notes, 9.625% due 11/15/16 (b)	3,058,100
2,675,000	IASIS Healthcare LLC/IASIS Capital Corp., Senior Subordinated Notes, 8.750% due 6/15/14	2,688,375
570,000	Reable Therapeutics Finance LLC, 10.875% due 11/15/14 (a)	561,450
	Tenet Healthcare Corp., Senior Notes:	
2,310,000	6.375% due 12/1/11	2,113,650
4,250,000	7.375% due 2/1/13	3,740,000
640,000	9.875% due 7/1/14	612,800
	Universal Hospital Services Inc.:	
530,000	8.288% due 6/1/15 (c)	532,650
1,990,000	8.500% due 6/1/15 (b)	2,019,850

2,450,000	US Oncology Holdings Inc., 10.759% due 3/15/12 (b)(c)	2,045,750
	Total Health Care Providers & Services	27,725,604

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2007

Face Amount	Security	Value
Hotels, Restaurants & Leisure 4.8%		
\$ 2,345,000	Buffets Inc., Senior Notes, 12.500% due 11/1/14 (d)	\$ 902,825
1,325,000	Caesars Entertainment Inc., Senior Subordinated Notes, 8.875% due 9/15/08	1,376,782
1,450,000	Carrols Corp., Senior Subordinated Notes, 9.000% due 1/15/13	1,326,750
800,000	Downstream Development Quapaw, Senior Notes, 12.000% due 10/15/15 (a)	752,000
1,095,000	El Pollo Loco Inc., Senior Notes, 11.750% due 11/15/13	1,040,250
445,000	Fontainebleau Las Vegas Holdings LLC/Fontainebleau Las Vegas Capital Corp., 10.250% due 6/15/15 (a)	388,263
2,625,000	Herbst Gaming Inc., Senior Subordinated Notes, 7.000% due 11/15/14	1,561,875
1,210,000	Indianapolis Downs LLC & Capital Corp., 11.000% due 11/1/12 (a)	1,173,700
2,515,000	Inn of the Mountain Gods Resort & Casino, Senior Notes, 12.000% due 11/15/10	2,628,175
2,150,000	Las Vegas Sands Corp., Senior Notes, 6.375% due 2/15/15	2,031,750
700,000	Mandalay Resort Group, Senior Subordinated Debentures, 7.625% due 7/15/13	686,000
1,130,000	MGM MIRAGE Inc.: Notes, 6.750% due 9/1/12	1,105,988
360,000	Senior Notes: 7.500% due 6/1/16	358,200
1,425,000	7.625% due 1/15/17	1,414,312
225,000	Mohegan Tribal Gaming Authority, Senior Subordinated Notes, 6.875% due 2/15/15	212,625
520,000	Pinnacle Entertainment Inc., Senior Subordinated Notes, 8.250% due 3/15/12	527,800
2,290,000	Pokagon Gaming Authority, Senior Notes, 10.375% due 6/15/14 (a)	2,473,200
1,155,000	Sbarro Inc., Senior Notes, 10.375% due 2/1/15	1,022,175
545,000	Snoqualmie Entertainment Authority, Senior Secured Notes: 9.063% due 2/1/14 (a)(c)	517,750
430,000	9.125% due 2/1/15 (a)	417,100
80,000	Station Casinos Inc.: Senior Notes: 6.000% due 4/1/12	71,600
1,865,000	7.750% due 8/15/16	1,692,487
135,000	Senior Subordinated Notes: 6.875% due 3/1/16	99,225
165,000	6.625% due 3/15/18	113,850
	Total Hotels, Restaurants & Leisure	23,894,682
Household Durables 2.0%		
200,000	American Greetings Corp., Senior Notes, 7.375% due 6/1/16	195,500
1,140,000	D.R. Horton Inc., Senior Notes, 8.000% due 2/1/09	1,108,371
1,950,000	Jarden Corp., Senior Subordinated Notes, 7.500% due 5/1/17	1,686,750
2,150,000	K Hovnanian Enterprises Inc., Senior Notes, 7.500% due 5/15/16	1,515,750
1,385,000	KB Home: 7.750% due 2/1/10	1,288,050
260,000	Senior Subordinated Notes, 8.625% due 12/15/08	256,100
1,790,000		1,825,800

Edgar Filing: WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC. - Form N-Q

		Norcraft Cos. LP/Norcraft Finance Corp., Senior Subordinated Notes, 9.000% due 11/1/11	
	2,210,000	Norcraft Holdings LP/Norcraft Capital Corp., Senior Discount Notes, step bond to yield 10.128% due 9/1/12	2,000,050
		Total Household Durables	9,876,371
Household Products	0.2%		
	1,235,000	Visant Holding Corp., Senior Notes, 8.750% due 12/1/13	1,247,350
Independent Power Producers & Energy Traders	8.2%		
	1,035,000	AES China Generating Co., Ltd., 8.250% due 6/26/10	1,006,676
		AES Corp.:	

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2007

	Face Amount	Security	Value
Independent Power Producers & Energy Traders		8.2% (continued)	
\$	3,415,000	8.000% due 10/15/17 (a)	\$ 3,508,913
	1,855,000	Senior Notes, 9.500% due 6/1/09	1,929,200
	1,890,000	Dynegy Holdings Inc.:	
	2,090,000	7.750% due 6/1/19	1,752,975
	320,000	Senior Debentures, 7.625% due 10/15/26	1,786,950
		Dynegy Inc., 7.670% due 11/8/16	318,400
		Edison Mission Energy, Senior Notes:	
	1,670,000	7.750% due 6/15/16	1,728,450
	1,400,000	7.200% due 5/15/19	1,382,500
	1,785,000	7.625% due 5/15/27	1,686,825
		Energy Future Holdings, Senior Notes:	
	90,000	10.875% due 11/1/17 (a)	90,900
	15,150,000	11.250% due 11/1/17 (a)(b)	15,377,250
		Mirant Mid Atlantic LLC:	
	964,551	10.060% due 12/30/28	1,152,639
	500,936	Pass-Through Certificates, 9.125% due 6/30/17	554,786
	1,920,000	Mirant North America LLC, Senior Notes, 7.375% due 12/31/13	1,934,400
		NRG Energy Inc., Senior Notes:	
	500,000	7.250% due 2/1/14	488,750
	6,120,000	7.375% due 2/1/16	5,982,300
	165,000	7.375% due 1/15/17	161,288
	520,000	TXU Corp., Senior Notes, 6.500% due 11/15/24	381,893
		Total Independent Power Producers & Energy Traders	41,225,095
IT Services 1.5%			
	1,090,000	Ceridian Corp., 12.250% due 11/15/15 (a)(b)	1,019,150
		First Data Corp.:	
	250,000	5.625% due 11/1/11	198,349
	2,390,000	9.875% due 9/24/15 (a)	2,225,687
		SunGard Data Systems Inc.:	
	775,000	Senior Notes, 9.125% due 8/15/13	792,438
	3,020,000	Senior Subordinated Notes, 10.250% due 8/15/15	3,103,050
		Total IT Services	7,338,674
Machinery 0.3%			
	730,000	American Railcar Industries Inc., Senior Notes, 7.500% due 3/1/14	693,500
	640,000	Terex Corp., Senior Subordinated Notes, 7.375% due 1/15/14	651,200
		Total Machinery	1,344,700
Media 7.1%			
	2,810,000	Affinion Group Inc., Senior Subordinated Notes, 11.500% due 10/15/15	2,771,362
		CCH I Holdings LLC/CCH I Holdings Capital Corp.:	
	705,000	Senior Accreting Notes, 12.125% due 1/15/15	447,675
	4,015,000	Senior Notes, 11.750% due 5/15/14	2,559,562
	4,990,000	CCH I LLC/CCH Capital Corp., Senior Secured Notes, 11.000% due 10/1/15	4,091,800
	1,930,000	CCH II LLC/CCH II Capital Corp., Senior Notes, 10.250% due 9/15/10	1,901,050
	540,000	Charter Communications Holdings LLC, Senior Discount Notes, 12.125% due 1/15/12	399,600

	Charter Communications Holdings LLC/Charter Communications Holdings Capital Corp., Senior Discount Notes, 11.750% due 5/15/11	663,000
850,000		
1,690,000	CMP Susquehanna Corp., 9.875% due 5/15/14	1,275,950
	CSC Holdings Inc.:	
	Senior Debentures:	
80,000	8.125% due 8/15/09	81,600
225,000	7.625% due 7/15/18	207,844
	Senior Notes:	
1,320,000	8.125% due 7/15/09	1,344,750

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2007

	Face Amount	Security	Value
Media 7.1% (continued)			
\$	840,000	7.625% due 4/1/11	\$ 842,100
	760,000	6.750% due 4/15/12	730,550
	1,416,000	Dex Media West LLC/Dex Media Finance Co., Senior Subordinated Notes, 9.875% due 8/15/13	1,476,180
		EchoStar DBS Corp., Senior Notes:	
	1,150,000	6.625% due 10/1/14	1,147,125
	2,950,000	7.125% due 2/1/16	3,023,750
	2,575,000	Historic TW Inc., Senior Notes, 6.625% due 5/15/29	2,542,305
	1,330,000	Idearc Inc., Senior Notes, 8.000% due 11/15/16	1,226,925
	500	ION Media Networks Inc., 11.000% due 7/31/13	253
		R.H. Donnelley Corp.:	
	1,475,000	Senior Discount Notes, 6.875% due 1/15/13	1,327,500
		Senior Notes:	
	2,675,000	8.875% due 1/15/16	2,514,500
	70,000	8.875% due 10/15/17 (a)	65,100
	1,060,000	Sun Media Corp., 7.625% due 2/15/13	1,037,475
		TL Acquisitions Inc.:	
	1,080,000	Senior Notes, 10.500% due 1/15/15 (a)	1,043,550
		Senior Subordinated Notes, step bond to yield 13.249% due 7/15/15 (a)	1,425,288
	1,790,000		1,181,250
	1,250,000	XM Satellite Radio Inc., Senior Notes, 9.411% due 5/1/13 (c)	35,328,044
		Total Media	
Metals & Mining 4.0%			
	6,320,000	Freeport-McMoRan Copper & Gold Inc., Senior Notes, 8.375% due 4/1/17	6,794,000
		Metals USA Holdings Corp., Senior Notes, 11.231% due 7/1/12 (a)(b)(c)	726,000
	880,000		3,868,800
	3,720,000	Metals USA Inc., Senior Secured Notes, 11.125% due 12/1/15	414,050
	490,000	Noranda Aluminium Acquisition Corp., 8.738% due 5/15/15 (a)(b)(c)	1,120,050
	1,310,000	Noranda Aluminium Holding Corp., Senior Notes, 10.488% due 11/15/14 (a)(b)(c)	2,121,525
	2,245,000	Novelis Inc., Senior Notes, 7.250% due 2/15/15	2,848,475
	2,870,000	Ryerson Inc., 12.000% due 11/1/15 (a)	802,950
	795,000	Steel Dynamics Inc., 7.375% due 11/1/12 (a)	1,533,975
	1,695,000	Tube City IMS Corp., 9.750% due 2/1/15	20,229,825
		Total Metals & Mining	
Multiline Retail 1.4%			
	3,845,000	Dollar General Corp., Senior Subordinated Notes, 11.875% due 7/15/17 (a)(b)	3,047,162
		Neiman Marcus Group Inc.:	
	150,000	7.125% due 6/1/28	135,750
	1,450,000	Senior Notes, 9.000% due 10/15/15 (b)	1,502,563
	2,385,000	Senior Subordinated Notes, 10.375% due 10/15/15	2,495,306
		Total Multiline Retail	7,180,781
Oil, Gas & Consumable Fuels 7.8%			
	2,652,000	Belden & Blake Corp., Secured Notes, 8.750% due 7/15/12	2,691,780
		Chesapeake Energy Corp., Senior Notes:	

Edgar Filing: WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC. - Form N-Q

2,845,000	6.625% due 1/15/16	2,795,212
140,000	6.500% due 8/15/17	135,800
1,180,000	6.250% due 1/15/18	1,138,700
570,000	Compagnie Generale de Geophysique SA, Senior Notes, 7.500% due 5/15/15	579,975
660,283	Corral Finans AB, 10.243% due 4/15/10 (a)(b)(c)	604,159
690,000	El Paso Corp., Medium-Term Notes:	703,701
6,275,000	7.800% due 8/1/31	6,400,983
	7.750% due 1/15/32	
425,000	Enterprise Products Operating LP:	385,906
	7.034% due 1/15/68 (c)	

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2007

Face Amount	Security	Value
Oil, Gas & Consumable Fuels 7.8% (continued)		
\$ 1,310,000	Junior Subordinated Notes, 8.375% due 8/1/66 (c)	\$ 1,343,270
2,500,000	EXCO Resources Inc., Senior Notes, 7.250% due 1/15/11	2,418,750
1,905,000	International Coal Group Inc., Senior Notes, 10.250% due 7/15/14	1,828,800
	Mariner Energy Inc., Senior Notes:	
940,000	7.500% due 4/15/13	909,450
555,000	8.000% due 5/15/17	530,719
1,175,000	OPTI Canada Inc., Senior Secured Notes, 8.250% due 12/15/14 (a)	1,169,125
785,000	Petrohawk Energy Corp., Senior Notes, 9.125% due 7/15/13	830,138
	Petroplus Finance Ltd.:	
630,000	6.750% due 5/1/14 (a)	589,838
1,150,000	Senior Note, 7.000% due 5/1/17 (a)	1,058,000
2,905,000	SemGroup LP, Senior Notes, 8.750% due 11/15/15 (a)	2,774,275
100,000	SESI LLC, Senior Notes, 6.875% due 6/1/14	97,000
1,325,000	W&T Offshore Inc., Senior Notes, 8.250% due 6/15/14 (a)	1,248,812
	Whiting Petroleum Corp., Senior Subordinated Notes, 7.000% due 2/1/14	1,268,625
1,275,000	Williams Cos. Inc.:	
	Notes:	
2,580,000	7.875% due 9/1/21	2,873,475
2,780,000	8.750% due 3/15/32	3,412,450
1,125,000	Senior Notes, 7.625% due 7/15/19	1,224,844
	Total Oil, Gas & Consumable Fuels	39,013,787
Paper & Forest Products 2.4%		
	Abitibi-Consolidated Co. of Canada:	
	Notes:	
410,000	7.750% due 6/15/11	321,850
1,300,000	8.491% due 6/15/11 (c)	1,033,500
945,000	Senior Notes, 8.375% due 4/1/15	706,387
	Abitibi-Consolidated Inc.:	
1,030,000	7.875% due 8/1/09	986,225
1,270,000	Debentures, 7.400% due 4/1/18	841,375
520,000	Notes, 8.550% due 8/1/10	457,600
	Appleton Papers Inc.:	
125,000	Senior Notes, 8.125% due 6/15/11	123,281
2,650,000	Senior Subordinated Notes, 9.750% due 6/15/14	2,636,750
	NewPage Corp.:	
1,200,000	10.000% due 5/1/12 (a)	1,212,000
2,485,000	Senior Secured Notes, 11.161% due 5/1/12 (c)	2,575,081
675,000	Senior Subordinated Notes, 12.000% due 5/1/13	700,313
470,000	Newpage Holding Corp., 11.818% due 11/1/13 (b)(c)	453,550
	Total Paper & Forest Products	12,047,912
Pharmaceuticals 0.7%		
4,870,000	Leiner Health Products Inc., Senior Subordinated Notes, 11.000% due 6/1/12	3,335,950
Real Estate Investment Trusts (REITs) 0.5%		
75,000	Forest City Enterprises Inc., Senior Notes, 7.625% due 6/1/15	72,750
535,000	Kimball Hill Inc., Senior Subordinated Notes, 10.500% due 12/15/12	184,575

Edgar Filing: WESTERN ASSET HIGH INCOME OPPORTUNITY FUND INC. - Form N-Q

		Ventas Realty LP/Ventas Capital Corp., Senior Notes:	
	610,000	6.500% due 6/1/16	600,850
	1,405,000	6.750% due 4/1/17	1,397,975
		Total Real Estate Investment Trusts (REITs)	2,256,150
Real Estate Management & Development	0.7%		
	1,270,000	Ashton Woods USA LLC/Ashton Woods Finance Co., Senior Subordinated Notes, 9.500% due 10/1/15	819,150
		Realogy Corp.:	

See Notes to Schedule of Investments.

Western Asset High Income Opportunity Fund Inc.

Schedule of Investments (unaudited) (continued)

December 31, 2007

Face Amount	Security	Value
Real Estate Management & Development 0.7% (continued)		
\$ 340,000	Senior Notes, 10.500% due 4/15/14 (a)	\$ 255,000
3,920,000	Senior Subordinated Notes, 12.375% due 4/15/15 (a)	2,479,400
	Total Real Estate Management & Development	3,553,550
Road & Rail 1.9%		
2,570,000	Grupo Transportacion Ferroviaria Mexicana SA de CV, Senior Notes, 9.375% due 5/1/12	2,704,925
	Hertz Corp.:	
725,000	Senior Notes, 8.875% due 1/1/14	738,594
4,870,000	Senior Subordinated Notes, 10.500% due 1/1/16	5,064,800
	Kansas City Southern de Mexico:	
470,000	7.625% due 12/1/13	465,887
520,000	Senior Notes, 7.375% due 6/1/14 (a)	507,000
105,000	Kansas City Southern Railway, Senior Notes, 7.500% due 6/15/09	105,656
	Total Road & Rail	9,586,862
Software 0.2%		
1,370,000	Activant Solutions Inc., Senior Subordinated Notes, 9.500% due 5/1/16	1,191,900
Specialty Retail 0.7%		
	AutoNation Inc., Senior Notes:	
660,000	7.243% due 4/15/13 (c)	612,150
345,000	7.000% due 4/15/14	328,613
1,250,000	Blockbuster Inc., Senior Subordinated Notes, 9.000% due 9/1/12	1,075,000
	Eye Care Centers of America, Senior Subordinated Notes,	
365,000	10.750% due 2/15/15	388,725
1,120,000	Michaels Stores Inc., 10.000% due 11/1/14	1,069,600
	Total Specialty Retail	3,474,088
Textiles, Apparel & Luxury Goods 0.4%		