ClearBridge Energy MLP Opportunity Fund Inc.
Form N-2/A
June 09, 2011

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Securities Act Registration No. 333-173338

Investment Company Registration No. 811-22546

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-2

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933 x

Pre-Effective Amendment No. 5

Post-Effective Amendment No. [ ]

and/or

REGISTRATION STATEMENT UNDER

THE INVESTMENT COMPANY ACT OF 1940 x

Amendment No. 5

ClearBridge Energy MLP Opportunity Fund Inc.

(Exact Name of Registrant as Specified in Charter)

55 Water Street

New York, New York 10041

(Address of Principal Executive Offices)

(888) 777-0102

(Registrant s Telephone Number, Including Area Code)

R. Jay Gerken

Legg Mason & Co., LLC

620 Eighth Avenue, 49th Floor

New York, New York 10018

(Name and Address of Agent for Service)

Copies to:

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New York, New York 10017	**Stamford, Connecticut 06902**	

Approximate Date of Proposed Public Offering: As soon as practicable after the effective date of this Registration Statement.

If any of the securities being registered on this form are offered on a delayed or continuous basis in reliance on Rule 415 under the Securities Act of 1933, other than securities offered in connection with a dividend reinvestment plan, check the following box. ¨

It is proposed that this filing will become effective (check appropriate box) ¨ when declared effective pursuant to section 8(c)

CALCULATION OF REGISTRATION FEE UNDER THE SECURITIES ACT OF 1933

Title of Securities Being Registered	Amount Being Registered(1)	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee
Common Stock, $0.001 par value	31,250,000 shares	$20.00	$625,000,000	$72,446.40(2)

(1) Estimated solely for purpose of calculating the registration fee.
(2) $116.10 of which has been previously paid.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that the Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such dates as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject To Completion

Preliminary Prospectus Dated June 9, 2011

PROSPECTUS

Shares

ClearBridge Energy MLP Opportunity Fund Inc.

Common Stock

$20.00 per Share

The Fund. ClearBridge Energy MLP Opportunity Fund Inc. (the Fund) is a newly organized, non-diversified, closed-end management investment company.

Investment Objective. The Fund s investment objective is to provide long-term investors a high level of total return with an emphasis on cash distributions. There can be no assurance that the Fund will achieve its investment objective or earn a return on its assets, and you could lose some or all of your investment.

Investment Strategies. The Fund seeks to achieve its objective by investing primarily in master limited partnerships (MLPs) in the energy sector.

(continued on following page)

No Prior Trading History. **Because the Fund is newly organized, its shares of common stock (Common Stock) have no history of public trading. The shares of closed-end investment companies frequently trade at a discount from their net asset value which may increase investor risk of loss. This risk may be greater for investors expecting to sell their shares in a relatively short period after completion of the initial public offering.**

The Fund s Common Stock has been authorized for listing on the New York Stock Exchange, subject to notice of issuance. The trading or ticker symbol is EMO.

Investing in the Fund s Common Stock involves certain risks. You could lose some or all of your investment. See Risks beginning on page 48 of this Prospectus.

Neither the Securities and Exchange Commission (the SEC) nor any state securities commission has approved or disapproved of these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

	Per Share	Total(1)
Public offering price	$ 20.00	$
Sales load(2)	$ 0.90	$
Proceeds, after expenses, to the Fund(3)	$ 19.06	$

(1) The Fund has granted the underwriters an option to purchase up to additional shares at the public offering price, less the sales load, within 45 days of the date of this Prospectus, solely to cover overallotments, if any. If this option is exercised in full, the total public offering price, sales load and proceeds, after expenses, to the Fund will be approximately $, $ and $, respectively.

(2) Legg Mason Partners Fund Advisor, LLC (LMPFA) (and not the Fund) has agreed to pay, from its own assets, upfront structuring and syndication fees to Morgan Stanley & Co. LLC, an upfront structuring fee to Citigroup Global Markets Inc., and an upfront structuring fee to Merrill Lynch, Pierce, Fenner & Smith Incorporated. These fees are not reflected under sales load in the table above. The Fund intends to pay compensation to employees of one of its affiliates who participate in the marketing of the Common Stock as described in footnote 3 below. See Underwriters Additional Compensation to be Paid by LMPFA.

(3) Total offering expenses to be paid by the Fund (other than the sales load) are estimated to be approximately $, which represents $0.04 per share. These offering expenses include $ as payment to Legg Mason Investor Services, LLC (LMIS) for distribution assistance, which represents the compensation paid to wholesalers registered through LMIS. After payment of such expenses, proceeds to the Fund will be $19.06 per share. LMPFA has agreed to pay (i) all of the Fund s organizational expenses and (ii) the Fund s offering expenses (other than the sales load) in excess of $0.04 per share.

The underwriters expect to deliver the shares to purchasers on or about , 2011.

Morgan Stanley	**Citi**	**BofA Merrill Lynch**
BB&T Capital Markets	**Baird**	**J.J.B. Hilliard, W.L. Lyons, LLC**
Janney Montgomery Scott	**Ladenburg Thalmann & Co. Inc.**	**Maxim Group LLC**
RBC Capital Markets	**Wedbush Securities Inc.**	**Wunderlich Securities**

The date of this Prospectus is , 2011.

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Portfolio contents. Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined in this Prospectus) in MLPs in the energy sector (the 80% policy). For purposes of the 80% policy, the Fund considers investments in MLPs to include investments that offer economic exposure to public and private MLPs in the form of equity securities of MLPs, securities of entities holding primarily general partner or managing member interests in MLPs, indirect interests in MLPs (such as I-Shares), and debt securities of MLPs. The Fund considers an entity to be within the energy sector if it derives at least 50% of its revenues from the business of exploring, developing, producing, gathering, transporting, processing, storing, refining, distributing, mining or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal. Please see The Fund s Investments for a more detailed discussion of the Fund s potential investments.

Currently and as the Fund makes its initial investments, the Fund intends to focus its investments in MLPs with operations in crude oil, natural gas liquids and refined products infrastructure. This reflects the subadviser s current belief that the combination of structurally higher global oil prices and the increased supply of domestic oil and natural gas liquids due primarily to recent shale gas discoveries makes MLPs focused on these liquid products well positioned for long-term growth. While the subadviser currently anticipates that liquid product-related infrastructure MLPs will be the Fund s primary focus, the dynamic nature of the energy markets may create new and potentially more attractive opportunities over time. Should macro energy, political, regulatory or tax considerations evolve, and other types of MLPs become more attractive, the subadviser may look to invest in these new opportunities. In addition, changes in energy markets or related adverse political, regulatory or tax developments could cause these beliefs and expectations to not be realized. See Risks-Energy Sector Risks-Regulatory Risk.

Tax Matters. Entities commonly referred to as MLPs are generally organized under state law as limited partnerships or limited liability companies. If publicly traded, MLPs must derive at least 90% of their gross income from qualifying sources as described in Section 7704 of the Internal Revenue Code of 1986, as amended (the Code), in order to be taxed as partnerships for United States federal income tax purposes.

The Fund intends to invest in MLPs only if such MLPs are taxed as partnerships for United States federal income tax purposes, and, except for purposes of the 80% policy, references in this Prospectus to MLPs include only MLPs that are so taxed.

The Fund will be treated as a regular corporation, or a C corporation, for United States federal income tax purposes and, as a result, unlike most investment companies, is subject to corporate income tax to the extent the Fund recognizes taxable income. Any taxes paid by the Fund will reduce the amount available to pay distributions to holders of Common Stock (Common Stockholders), and therefore investors in the Fund will likely receive lower distributions than if they invested directly in MLPs. Given the Fund s concentration in MLPs, the Fund is not eligible to be treated as a regulated investment company under the Code. The types of MLPs in which the Fund intends to invest historically have made cash distributions to limited partners or members that exceed the amount of taxable income allocable to limited partners or members, due to a variety of factors, including significant non-cash deductions such as depreciation and depletion. If the cash distributions exceed the taxable income reported in a particular tax year, the excess cash distributions would not be taxed as income to the Fund in that tax year but rather would be treated as a return of capital for United States federal income tax purposes to the extent of the Fund s basis in its MLP units. Similarly, the Fund expects to distribute cash in excess of its earnings and profits to Common Stockholders which may be treated as a return of capital to the extent of the Common Stockholders cost basis in the Fund s Common Stock. As a result, the Fund s Common Stockholders should expect to receive distributions that are generally tax-deferred and represent a return of capital although no assurance can be given in this regard. For tax purposes, a return of capital generally represents a return of a Common Stockholder s initial investment in the Fund rather than a distribution of the Fund s earnings. Any distribution received by Common Stockholders that is treated as a return of capital generally will result in a reduction in basis in their shares, which may increase the capital gain, or reduce the capital loss, realized upon the sale of such shares. As a result, a Common Stockholder that receives a return of

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capital distribution may be subject to increased taxes upon the future disposition of its shares in a taxable transaction (even possibly if the Common Stockholder loses money on the disposition). In addition, the Fund may have more corporate income tax expense than expected, which will result in less cash available to distribute to Common Stockholders.

Leverage. The Fund may seek to enhance the level of its cash distributions to holders of Common Stock through the use of leverage. The Fund may use leverage through borrowing, including loans from certain financial institutions and/or the issuance of debt securities (collectively, Borrowings) in an aggregate amount of up to 33 1/3% of the Fund s total assets immediately after such Borrowings. Furthermore, the Fund may use leverage through the issuance of preferred stock in an aggregate amount of up to 50% of the Fund s total assets immediately after such issuance. Under current market conditions, the Fund intends to utilize leverage principally through Borrowings from certain financial institutions in an amount up to 20-25% of its Managed Assets (defined below). Currently, the Fund has no intention to issue preferred stock, but circumstances may arise such that the Fund may choose to issue preferred stock. In addition, the Fund may enter into investment management techniques that have similar effects as leverage, but which are not subject to the foregoing 33 1/3% limitation so long as the Fund has covered its commitment with respect to such techniques by segregating liquid assets, entering into offsetting transactions or owning positions covering its obligations. See Use of Leverage, Risks Leverage Risk and Description of Shares Preferred Stock.

For more information on the Fund s investment strategies, see The Fund s Investments and Risks.

Investment Manager and Subadviser. LMPFA, the Fund s investment manager, supervises the day-to-day management of the Fund s portfolio by ClearBridge Advisors, LLC (ClearBridge) and provides administrative and management services to the Fund. As of March 31, 2011, LMPFA s total assets under management were approximately $195.6 billion.

ClearBridge, the Fund s subadviser, will be responsible for the day-to-day portfolio management of the Fund, subject to the supervision of the Fund s Board of Directors and LMPFA. As of March 31, 2011, ClearBridge s total assets under management were approximately $58.9 billion, including $9.7 billion in energy- related assets.

You should read this Prospectus, which contains important information about the Fund that you should know, before deciding whether to invest, and retain it for future reference. A Statement of Additional Information, dated , 2011, as it may be amended (the SAI), containing additional information about the Fund, has been filed with the SEC and is incorporated by reference in its entirety into this Prospectus. You may request a free copy of the SAI (the table of contents of which is on page 87 of this Prospectus), annual and semi-annual reports to stockholders (when available), and additional information about the Fund by calling (888) 777-0102, by writing to the Fund at 620 Eighth Avenue, 49th Floor, New York, New York 10018 or visiting the Fund s website (http://www.leggmason.com/cef). The information contained in, or accessed through, the Fund s website is not part of this Prospectus. You may also obtain a copy of the SAI (and other information regarding the Fund) from the SEC s Public Reference Room in Washington, D.C. Information relating to the Public Reference Room may be obtained by calling the SEC at (202) 551-8090. Such materials, as well as the Fund s annual and semi-annual reports (when available) and other information regarding the Fund, are also available on the SEC s website (http://www.sec.gov). You may also e-mail requests for these documents to publicinfo@sec.gov or make a request in writing to the SEC s Public Reference Room, 100 F Street, N.E., Washington, D.C. 20549-0102.

The Fund s Common Stock does not represent a deposit or obligation of, and is not guaranteed or endorsed by, any bank or other insured depository institution, and is not federally insured by the Federal Deposit Insurance Corporation, the Federal Reserve Board or any other governmental agency.

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You should rely only on the information contained in or incorporated by reference into this Prospectus. The Fund has not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. The Fund is not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

PROSPECTUS SUMMARY

This is only a summary. This summary does not contain all of the information that you should consider before investing in the Fund s Common Stock. You should review the more detailed information contained elsewhere in this Prospectus and in the Statement of Additional Information (the SAI), especially the information under the heading Risks. Unless otherwise indicated or the content otherwise requires, references to we, us and our refer to ClearBridge Energy MLP Opportunity Fund Inc.

The Fund

ClearBridge Energy MLP Opportunity Fund Inc. (the Fund) is a newly organized, non-diversified, closed-end management investment company.

The Offering

The Fund is offering shares of common stock at $20.00 per share through a group of underwriters led by Morgan Stanley & Co. LLC, Citigroup Global Markets Inc. and Merrill Lynch, Pierce, Fenner & Smith Incorporated. The shares of common stock are called Common Stock in the rest of this Prospectus. You must purchase at least 100 shares of Common Stock in order to participate in this offering. The Fund has given the underwriters an option to purchase up to additional shares of Common Stock solely to cover overallotments, if any. See Underwriters.

Who May Want to Invest

Investors should consider their investment goals, time horizons and risk tolerance before investing in the Fund. An investment in the Fund is not appropriate for all investors, and the Fund is not intended to be a complete investment program. The Fund is designed as a long-term investment and not as a trading vehicle. The Fund may be an appropriate investment for long-term investors who are seeking:

Access to evolving opportunities among energy-related master limited partnerships (MLPs);

The opportunity for attractive tax-deferred distributions and capital appreciation;

Simplified tax reporting compared to direct MLP investments;

Potential diversification of an overall investment portfolio; and

Security selection through the professional, active management of ClearBridge Advisors, LLC (ClearBridge).

ClearBridge, the Fund s subadviser, currently believes that energy MLPs present an attractive investment opportunity. MLPs combine the tax benefits associated with limited partnerships with the liquidity of publicly traded securities. The types of MLPs in which the Fund intends to invest historically have made cash distributions to limited partners or members that exceed the amount of taxable income allocable to limited partners or members, due to a variety of factors, including significant non-cash deductions, such as depreciation and depletion. If the cash distributions exceed the taxable income reported in a particular tax year, the excess cash distributions would not be taxed as income to the Fund in that tax year but rather would be treated as a return of capital for United States federal income tax purposes to the extent of the Fund s basis in its MLP units. Similarly, 1

the Fund expects to distribute cash in excess of its earnings and profits to holders of Common Stock (the Common Stockholders) which may be treated as a return of capital to the extent of the Common Stockholders cost basis in the Fund s Common Stock. As a result, the Fund s Common Stockholders should expect to receive distributions that are generally tax-deferred and represent a return of capital although no assurance can be given in this regard. For tax purposes, a return of capital generally represents a return of a Common Stockholder s initial investment in the Fund rather than a distribution of the Fund s earnings. Any distribution received by Common Stockholders that is treated as a return of capitally generally will result in a reduction in basis in their shares, which may increase the capital gain, or reduce the capital loss, realized upon the sale of such shares. As a result, a Common Stockholder that receives a return of capital distribution may be subject to increased taxes upon the future disposition of its shares in a taxable transaction (even possibly if the Common Stockholder loses money on the disposition). In addition, the Fund may have more corporate income tax expense than expected, which will result in less cash available to distribute to Common Stockholders.

Furthermore, the closed-end structure allows the Fund to maintain a stable pool of assets, without the need to keep assets in low-yielding instruments like cash or cash equivalents or to liquidate assets, sometimes at inopportune times, to meet redemption requests.

Investment Objective

The Fund s investment objective is to provide long-term investors a high level of total return with an emphasis on cash distributions. There can be no assurance that the Fund will achieve its investment objective or earn a return on its assets, and you could lose some or all of your investment.

Investment Strategies

Under normal market conditions, the Fund will invest at least 80% of its Managed Assets (as defined below) in MLPs in the energy sector (the 80% policy). For purposes of the 80% policy, the Fund considers investments in MLPs to include investments that offer economic exposure to public and private MLPs in the form of equity securities of MLPs, securities of entities holding primarily general partner or managing member interests in MLPs, indirect interests in MLPs (such as I-Shares), and debt securities of MLPs. The Fund considers an entity to be within the energy sector if it derives at least 50% of its revenues from the business of exploring, developing, producing, gathering, transporting, processing, storing, refining, distributing, mining or marketing natural gas, natural gas liquids (including propane), crude oil, refined petroleum products or coal.

Currently and as the Fund makes its initial investments, the Fund intends to focus its investments in MLPs with operations in crude oil, natural gas liquids and refined products infrastructure. This reflects ClearBridge s current belief that the combination of structurally higher global oil prices and the increased supply of domestic oil and natural gas liquids due primarily to recent shale gas discoveries makes MLPs focused on these liquid products well positioned for long term growth. While ClearBridge currently anticipates that liquid product-related infrastructure MLPs will be the Fund s primary focus, the dynamic nature of the energy markets may create new and potentially more attractive opportunities over time. Should macro energy, political, regulatory or tax considerations evolve, and other types of MLPs become more attractive, ClearBridge may look to invest in these new opportunities. In addition, changes in energy markets or related adverse political, regulatory or tax developments could cause these beliefs and expectations to not be realized. See Risks-Energy Sector Risks-Regulatory Risk.

Managed Assets means net assets plus the amount of any borrowing, including loans from certain financial institutions and/or the issuance of debt securities (collectively, Borrowings), and assets attributable to any preferred stock (Preferred Stock) that may be outstanding. For as long as Energy MLP Opportunity is in the name of the Fund, the Fund will invest at least 80% of its Managed Assets in MLPs in the energy sector. The Fund may not change its policy to invest at least 80% of its Managed Assets in MLPs in the energy sector unless it provides stockholders with at least 60 days written notice of such change.

The Fund may invest up to 20% of its Managed Assets in securities of issuers that are not MLPs. This 20% allocation may be in any of the securities described in this Prospectus and the SAI, including securities of non-MLP companies engaged primarily in the energy sector. Such issuers may be treated as corporations for United States federal income tax purposes and, therefore, may not offer the tax benefits of investing in MLPs described in this Prospectus.

For a more complete discussion of the Fund s portfolio composition, see The Fund s Investments.

The Fund s Investments

Master Limited Partnerships. Entities commonly referred to as MLPs are generally organized under state law as limited partnerships or limited liability companies. The Fund intends to primarily invest in MLPs receiving partnership taxation treatment under the Code, and whose interests or units are traded on securities exchanges like shares of corporate stock. To be treated as a partnership for United States federal income tax purposes, an MLP whose units are traded on a securities exchange must receive at least 90% of its gross income from qualifying sources such as interest, dividends, real estate rents, gain from the sale or disposition of real property, income and gain from mineral or natural resources activities, income and gain from the transportation or storage of certain fuels, and, in certain circumstances, income and gain from commodities or futures, forwards and options with respect to commodities. Mineral or natural resources activities include exploration, development, production, processing, mining, refining, marketing and transportation (including pipelines) of oil and gas, minerals, geothermal energy, fertilizer, timber or industrial source carbon dioxide. An MLP consists of a general partner and limited partners (or in the case of MLPs organized as limited liability companies, a managing member and members). The general partner or managing member typically controls the operations and management of the MLP and has an ownership stake in the MLP. The limited partners or members, through their ownership of limited partner or member interests, provide capital to the entity, are intended to have no role in the operation and management of the entity and receive cash distributions. The MLPs themselves generally do not pay United States federal income taxes. Thus, unlike investors in corporate securities, direct MLP investors are generally not subject to double taxation (i.e., corporate level tax and tax on corporate dividends). Currently, most MLPs operate in the energy and/or natural resources sectors.

MLP Equity Securities. Equity securities issued by MLPs currently consist of common units, subordinated units and preferred units.

MLP Common Units. MLP common units are typically listed and traded on national securities exchanges, including the New York Stock Exchange (the NYSE) and the NASDAQ Stock Market (NASDAQ). The Fund will typically purchase MLP common units through open market transactions and underwritten offerings, but may also acquire MLP common units through direct placements and privately negotiated transactions. Holders of MLP common units typically have very limited control and voting rights. Holders of MLP common units are typically entitled to receive a minimum quarterly distribution (MQD), including arrearage rights, from the issuer.

MLP Subordinated Units. MLP subordinated units are not typically listed on an exchange or publicly traded. The Fund will typically purchase MLP subordinated units through negotiated transactions directly with affiliates of MLPs and institutional holders of such units or will purchase newly-issued subordinated units directly from MLPs. Holders of MLP subordinated units are entitled to receive minimum quarterly distributions after payments to holders of common units have been satisfied and prior to incentive distributions to the general partner or managing member. MLP subordinated units generally do not provide arrearage rights.

Most MLP subordinated units are convertible into common units after the passage of a specified period of time or upon the achievement by the MLP of specified financial goals.

MLP Preferred Units. MLP preferred units are not typically listed on an exchange or publicly traded. The Fund will typically purchase MLP preferred units through negotiated transactions directly with MLPs, affiliates of MLPs and institutional holders of such units. Holders of MLP preferred units can be entitled to a wide range of voting and other rights, depending on the structure of each separate security.

Other Equity Securities. The Fund may invest in equity securities issued by affiliates of MLPs, including the general partners or managing members of MLPs. Such issuers may be organized and/or taxed as corporations and therefore may not offer the advantageous tax characteristics of MLP units. The Fund intends to purchase equity securities through market transactions, but may also acquire equity securities through direct placements.

I-Shares. I-Shares represent an ownership interest issued by an MLP affiliate. The MLP affiliate uses the proceeds from the sale of I-Shares to purchase limited partnership interests in the MLP in the form of I-units. Thus, I-Shares represent an indirect interest in an MLP limited partnership interest. I-units have similar features as MLP common units in terms of voting rights, liquidation preference and distribution. I-Shares themselves have limited voting rights and are similar in that respect to MLP common units. I-Shares differ from MLP common units primarily in that instead of receiving cash distributions, holders of I-Shares will receive distributions of additional I-Shares in an amount equal to the cash distributions received by common unit holders. I-Shares are traded on the NYSE.

MLP General Partner or Managing Member Interests. The general partner or managing member interest in MLPs is typically retained by the original sponsors of an MLP, such as its founders, corporate partners and entities that sell assets to the MLP. The holder of the general partner or managing member interest can be liable in certain circumstances for amounts greater than the amount of the holder s investment in the general partner or managing member. General partner or managing member interests often confer direct board participation rights in, and in many cases control over the operations of, the MLP. General partner or managing member interests can be privately held or owned by publicly traded entities. General partner or managing member interests receive cash distributions, typically in an amount of up to 2% of available cash, which is contractually defined in the partnership or limited liability company agreement. In addition, holders of general partner or managing member interests typically receive incentive distribution rights (IDRs), which provide them with an increasing share of the entity s aggregate cash distributions upon the payment of per common unit distributions that exceed specified threshold levels above the MQD. Due to the IDRs, general partners of MLPs have higher distribution growth prospects than their underlying MLPs, but quarterly incentive distribution payments would also decline at a greater rate than the decline rate in quarterly distributions to common and subordinated unit holders in the event of a reduction in the MLP s quarterly distribution. The ability of the limited partners or members to remove the general partner or managing member without cause is typically very limited. In addition, some MLPs permit the holder of IDRs to reset, under specified circumstances, the incentive distribution levels and receive compensation in exchange for the distribution rights given up in the reset.

Non-MLP Equity Securities. The Fund also may invest in common and preferred stock, convertible securities, warrants and depository receipts of companies that are organized as corporations, limited liability companies or limited partnerships.

Restricted Securities. The Fund may invest up to 30% of its Managed Assets in unregistered or otherwise restricted securities. Restricted securities are securities that are unregistered or subject to contractual or other legal restrictions on resale. The Fund will typically acquire restricted securities in directly negotiated transactions.

In connection with its investments in restricted securities generally, the Fund may invest up to 15% of its Managed Assets in restricted securities issued by non-public companies. In some instances, such an investment may be made with the expectation that the assets of such non-public company will be contributed to a newly-formed MLP or sold to or merged with an existing MLP in the future.

Debt Securities. The Fund may invest up to 20% of its Managed Assets in debt securities of MLPs and other issuers, including debt securities rated below investment grade (that is, rated Ba or lower by Moody s Investors Service, Inc. (Moody s), BB+ or lower by Standard & Poor s Ratings Group (S&P) or Fitch Ratings (Fitch), comparably rated by another nationally recognized statistical rating organization (NRSRO), or, if unrated, determined by ClearBridge to be of comparable credit quality). These securities are commonly called high yield or junk bonds. The Fund may invest in debt securities without regard for their maturity.

Royalty Trusts. The Fund may invest in royalty trusts. However, such investments do not count towards the Fund s 80% policy. Royalty trusts are publicly traded investment vehicles that gather income on royalties and pay out almost all cash flows to stockholders as distributions. Royalty trusts typically have no physical operations and no management or employees. Typically royalty trusts own the rights to royalties on the production and sales of a natural resource, including oil, gas, minerals and timber. As these deplete, production and cash flows steadily decline, which may decrease distribution rates. Royalty trusts are, in some respects, similar to certain MLPs and include risks similar to those MLPs.

Other Sector Investments. The Fund may invest in MLPs or MLP affiliates in other sectors of the economy. For instance, the Fund may invest in entities operating in the natural resources sector including companies principally engaged in owning or developing non-energy natural resources (including timber and minerals) and industrial materials, or supplying goods or services to such companies. Additionally, the Fund may invest in MLPs that focus on developing infrastructure assets.

Foreign Securities. The Fund may invest in securities of foreign issuers, including securities traded on non-U.S. exchanges and emerging markets. Such investments in securities of foreign issuers may include investments in American Depositary Receipts (ADRs). ADRs are certificates evidencing ownership of shares of a foreign issuer that are issued by depositary banks and generally trade on an established market in the United States or elsewhere.

Non-Diversification. The Fund may invest up to 15% of its Managed Assets, at the time of purchase, in securities of any single issuer.

Comparison with Direct Investment in MLPs

The Fund seeks to provide an efficient vehicle through which the Fund s Common Stockholders may invest in MLPs in the energy sector. An investment in the Fund offers investors several advantages as compared to direct investments in MLPs, including the following:

Simplified tax reporting. Investors in the Fund, while gaining exposure to multiple MLPs, will receive a single Form 1099, while direct MLP investors receive a Schedule K-1 from each MLP in which they are invested. Also, direct MLP investors may be required to file state income tax returns for each state in which the MLP operates, while investors in the Fund will not be required to file state income tax returns in any state in which they are not otherwise required to file tax returns.

Access to investments typically unavailable to retail investors. In addition to publicly traded MLPs, the Fund may invest in MLPs through direct placements. Direct placements may offer the potential for increased returns, but are usually available only to institutional investors. These investments may entail greater risks than investments in publicly traded MLPs.

Costs Associated with Investments in the Fund as Opposed to Direct Investments in MLPs. Investors in the Fund are subject to the management fees and other expenses of investing in the Fund. Investors investing directly in an MLP do not have to bear these costs.

Favorable tax treatment. Distributions from the Fund are generally tax-deferred although no assurance can be given in this regard. To the extent that distributions exceed the Fund s earnings and profits, distributions are generally not treated as taxable income for the investor. Instead, the Fund s Common Stockholders will experience a reduction in bases in their shares, which may increase the capital gain, or reduce the capital loss, realized upon the sale of such shares. See Certain United States Federal Income Tax Considerations and Risks Tax Risks of Investing in Equity Securities of MLPs.

Potential for inclusion in IRAs and other retirement accounts. Because distributions are not considered unrelated business taxable income (UBTI), IRAs, 401(k) plans and other employee benefit plans may invest in the Fund.

Suitable for corporate investments and investment companies. Subject to certain holding period and other requirements, any distributions by the Fund that may be taxable as dividends (i.e., distributions out of the Fund s current or accumulated earnings and profits) generally will be eligible for the dividends received deduction in the case of corporate stockholders and, in the case of dividends paid in taxable years beginning before January 1, 2013, generally will be treated as qualified dividend income for stockholders taxed as individuals and will be eligible for reduced rates of taxation. In addition, the Fund s Common Stock dividends will be treated as qualifying income for each of the Fund s Common Stockholders that is an investment company (including mutual funds) that has elected to be taxed as a regulated investment company. In contrast, income received directly by such investment companies from MLPs may not be treated as qualifying income by such investment companies.

Leverage

The Fund may seek to enhance the level of its cash distributions to holders of Common Stock through the use of leverage. The Fund may use leverage through Borrowings in an aggregate amount of up to 33 $^{1}/3$% of the Fund s total assets immediately after such Borrowings. Furthermore, the Fund may use leverage through the issuance of Preferred Stock in an aggregate amount of up to 50% of the Fund s total assets immediately after such issuance. The Fund may not use leverage at all times, and the amount of leverage may vary depending upon a number of factors, including Legg Mason Partners Fund Advisor, LLC s (LMPFA) and ClearBridge s outlook for the market and the costs that the Fund would incur as a result of such leverage. Under current market conditions, the Fund intends to utilize leverage principally through Borrowings from certain financial institutions in an amount up to 20-25% of its Managed Assets. Currently, the Fund has no intention to issue Preferred Stock, but circumstances may arise such that the Fund may choose to issue Preferred Stock. In addition, the Fund may enter into investment management techniques that have similar effects as leverage, but which are not subject to the foregoing 33 $^{1}/3$% limitation so long as the Fund has covered its commitment with respect to such techniques by segregating liquid assets, entering into offsetting transactions or owning positions covering its obligations. Any Borrowings (and any Preferred Stock) will have seniority over Common Stock. There is no assurance that the Fund s leveraging strategy will be successful.

Any Borrowings and Preferred Stock (if issued) will leverage your investment in Common Stock. Common Stockholders will bear the costs associated with any Borrowings, and if the Fund issues Preferred Stock, Common Stockholders will bear the offering costs of the Preferred Stock issuance. The Board of Directors of the Fund may authorize the use of leverage through Borrowings and Preferred Stock without the approval of the Common Stockholders.

During periods when the Fund is using leverage through Borrowings or the issuance of Preferred Stock, the fees paid to LMPFA and ClearBridge for advisory services will be higher than if the Fund did not use leverage because the fees paid will be calculated on the basis of the Fund s Managed Assets, which includes the principal amount of the Borrowings and any assets attributable to the issuance of Preferred Stock. This means that LMPFA and ClearBridge have a financial incentive to increase the Fund s use of leverage. See Use of Leverage and Risks Leverage Risk.

Tax Considerations

Taxation. The Fund intends to invest in MLPs only if such MLPs are taxed as partnerships for United States federal income tax purposes, and, except for purposes of the 80% policy, references in this Prospectus to MLPs include only MLPs that are so taxed.

The Fund will be treated as a regular corporation, or a C corporation, for United States federal income tax purposes. Accordingly, the Fund will pay federal and applicable state corporate taxes on its taxable income. Any taxes paid by the Fund will reduce the amount available to pay distributions to Common Stockholders, and therefore investors in the Fund will likely receive lower distributions than if they invested directly in MLPs. The types of MLPs in which the Fund intends to invest historically have made cash distributions to limited partners or members that exceed the amount of taxable income allocable to limited partners or members, due to a variety of factors, including significant non-cash deductions, such as depreciation and depletion. If the cash distributions exceed the taxable income reported in a particular tax year, the excess cash distributions would not be taxed as income to the Fund in that tax year but rather would be treated as a return of capital for United States federal income tax purposes to the extent of the Fund s basis in its MLP units. See Certain United States Federal Income Tax Considerations.

Stockholder tax features. The Fund expects to pay cash distributions to its Common Stockholders in excess of its taxable income per share, although no assurance can be given in this regard. If the Fund distributes cash from current or accumulated earnings and profits as computed for United States federal income tax purposes, such distributions will generally be taxable to Common Stockholders to the extent of such earnings and profits in the current period as dividend income for United States federal income tax purposes. Subject to certain holding period and other requirements, such dividend income will generally be eligible for the dividends received deduction in the case of corporate stockholders and, in the case of dividends paid in taxable years beginning before January 1, 2013, will generally be treated as qualified dividend income for stockholders taxed as individuals and will be eligible for reduced rates of taxation. If the Fund s distributions exceed its current and accumulated earnings and profits as computed for United States federal income tax purposes, such excess distributions will constitute a non-taxable return of capital to the extent of a Common Stockholder s basis in the such holder s Common Stock and will result in a reduction of such basis. To the extent that excess exceeds a Common Stockholder s basis in such holder s Common Stock, the excess will be taxed as capital gain. The Fund expects that a significant portion of its distributions to its Common Stockholders will constitute a non-taxable return of capital and will reduce their bases in the Common Stock. Upon the sale of

Common Stock, a Common Stockholder generally will recognize capital gain or loss measured by the difference between the sale proceeds received by the Fund s Common Stockholder and the holder s United States federal income tax basis in the Common Stock sold, as adjusted to reflect return of capital.

Derivatives

Generally, derivatives are financial contracts whose value depends upon, or is derived from, the value of an underlying asset, reference rate or index, and may relate to individual debt or equity instruments, interest rates, currencies or currency exchange rates and related indexes. The Fund may invest in derivative instruments, such as options contracts, futures contracts, forward contracts, options on futures contracts and indexed securities for investment, hedging and risk management purposes; provided that the Fund s exposure to derivative instruments, as measured by the total notional amount of all such instruments, will not exceed 20% of its Managed Assets. To the extent that the security or index underlying the derivative or synthetic instrument is or is composed of securities of MLPs in the energy sector, the Fund will include such derivative and synthetic instruments for the purposes of the Fund s 80% policy. The Fund may sell certain securities short.

Certain portfolio management techniques, such as writing futures contracts, engaging in short sales or writing options on portfolio securities, may be considered senior securities for the purposes of the Investment Company Act of 1940, as amended (the 1940 Act), unless appropriate steps are taken to segregate the Fund s assets or otherwise cover its obligations. Although under no obligation to do so, ClearBridge intends to cover the Fund s commitment with respect to such techniques should the Fund enter into or engage in one or more of such techniques. To the extent the Fund covers its commitment with respect to such techniques by segregating liquid assets, entering into offsetting transactions or owning positions covering its obligations, the instrument will not be considered a senior security for the purposes of the 1940 Act. The Fund may cover such transactions using other methods currently or in the future permitted under the 1940 Act, the rules and regulations thereunder or orders issued by the SEC thereunder. For these purposes, interpretations and guidance provided by the SEC staff may be taken into account when deemed appropriate by the Fund. These segregation and coverage requirements could result in the Fund maintaining securities positions that it would otherwise liquidate, segregating assets at a time when it might be disadvantageous to do so or otherwise restricting portfolio management. Such segregation and coverage requirements will not limit or offset losses on related positions.

Derivative instruments can be illiquid, may disproportionately increase losses, and may have a potentially large impact on Fund performance. See The Fund s Investments Additional Investment Activities Derivatives and Risks Derivatives Risk.

Distributions

Under normal market conditions, the Fund intends to distribute substantially all of the Fund s distributable cash flow received as cash distributions from MLPs, interest payments received on debt securities owned by the Fund and other payments on securities owned by the Fund, less Fund expenses.

The Fund intends to make distributions quarterly. Your initial distribution is expected to be declared approximately 45 days, and paid approximately 60 days, from the completion of this offering, depending upon market conditions.

Unless you elect to receive distributions in cash (i.e., opt out), all of your distributions will be automatically reinvested in additional shares of Common Stock under the Fund s Dividend Reinvestment Plan. See Distributions and Dividend Reinvestment Plan.

Investment Manager

LMPFA will be the Fund s investment manager. LMPFA, a wholly- owned subsidiary of Legg Mason Inc. (Legg Mason), is a registered investment adviser and supervises the day-to-day management of the Fund s portfolio by ClearBridge. In addition, LMPFA performs administrative and management services necessary for the operation of the Fund, such as (1) supervising the overall administration of the Fund, including negotiation of contracts and fees with and the monitoring of performance and billings of the Fund s transfer agent, stockholder servicing agents, custodian and other independent contractors or agents; (2) providing certain compliance, Fund accounting, regulatory reporting and tax reporting services; (3) preparing or participating in the preparation of Board materials, registration statements, proxy statements and reports and other communications to stockholders; (4) maintaining the Fund s existence and (5) during such times as shares are publicly offered, maintaining the registration and qualification of the Fund s shares under federal and state laws. As of March 31, 2011, LMPFA s total assets under management were approximately $195.6 billion. Legg Mason is a global asset management firm. As of March 31, 2011, Legg Mason s asset management operation had aggregate assets under management of approximately $677.6 billion.

LMPFA will receive an annual fee, payable monthly, in an amount equal to 1.00% of the Fund s average daily Managed Assets.

The Fund will pay all of its offering expenses, representing approximately $0.04 per share of Common Stock. The Fund s management fees and other expenses are borne by the Common Stockholders. LMPFA has agreed to pay all of the Fund s organizational expenses. See Summary of Fund Expenses and Management of the Fund.

Subadviser

ClearBridge will be the Fund s subadviser. ClearBridge, a wholly- owned subsidiary of Legg Mason, is a registered investment adviser and will be responsible for the day-to-day portfolio management of the Fund subject to the supervision of the Fund s Board of Directors and LMPFA. As of March 31, 2011, ClearBridge s total assets under management were approximately $58.9 billion, including $9.7 billion in energy-related assets.

ClearBridge will receive an annual subadvisory fee, payable monthly, from LMPFA in an amount equal to 0.70% of the management fee paid to LMPFA. No advisory fee will be paid by the Fund directly to ClearBridge. See Management of the Fund.

Listing and Symbol

The Fund s Common Stock has been authorized for listing on the NYSE, subject to notice of issuance. The trading or ticker symbol is EMO.

Custodian and Transfer Agent

State Street Bank and Trust Company LLC will serve as custodian of the Fund s assets. American Stock Transfer & Trust Company LLC will serve as the Fund s transfer agent. See Custodian and Transfer Agent.

Special Risk Considerations

An investment in the Fund s Common Stock involves various material risks. The following is a summary of certain of these risks. It is not complete and you should read and consider carefully the more complete list of risks described below under Risks before purchasing Common Stock in this offering.

No History of Operations. The Fund is a newly organized, non- diversified, closed-end management investment company with no history of operations or public trading.

Investment and Market Risk. An investment in the Fund is subject to investment risk, including the possible loss of the entire amount that you invest. Your investment in Common Stock represents an indirect investment in MLPs and other securities owned by the Fund, most of which could be purchased directly. The value of the Fund s portfolio securities may move up or down, sometimes rapidly and unpredictably. At any point in time, your Common Stock may be worth less than your original investment and may even be worth zero.

Risks of Investing in MLP Units. An investment in MLP units involves risks that differ from a similar investment in equity securities, such as common stock, of a corporation. Holders of MLP units have the rights typically afforded to limited partners in a limited partnership. As compared to common stockholders of a corporation, holders of MLP units have more limited control and limit