

ClearBridge Energy MLP Opportunity Fund Inc.

Form N-CSRS

July 26, 2018

Table of Contents

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM N-CSR

CERTIFIED SHAREHOLDER REPORT OF REGISTERED

MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-22546

ClearBridge Energy MLP Opportunity Fund Inc.

(Exact name of registrant as specified in charter)

620 Eighth Avenue, 49th Floor,

New York, NY 10018

(Address of principal executive offices) (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: (888) 777-0102

Date of fiscal year end: November 30

Date of reporting period: May 31, 2018

Table of Contents

ITEM 1. REPORT TO STOCKHOLDERS.

The **Semi-Annual** Report to Stockholders is filed herewith.

Table of Contents

Semi-Annual Report

May 31, 2018

CLEARBRIDGE

ENERGY MLP

OPPORTUNITY FUND

INC. (EMO)

INVESTMENT PRODUCTS: NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE

Table of Contents

What's inside	
<u>Letter from the chairman</u>	II
<u>Investment commentary</u>	IV
<u>Fund at a glance</u>	1
<u>Schedule of investments</u>	2
<u>Statement of assets and liabilities</u>	4
<u>Statement of operations</u>	5
<u>Statements of changes in net assets</u>	6
<u>Statement of cash flows</u>	7
<u>Financial highlights</u>	8
<u>Notes to financial statements</u>	10
<u>Additional shareholder information</u>	24
<u>Dividend reinvestment plan</u>	25

Fund objective

The Fund's investment objective is to provide long-term investors a high level of total return with an emphasis on cash distributions.

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

Letter from the chairman

Dear Shareholder,

We are pleased to provide the semi-annual report of ClearBridge Energy MLP Opportunity Fund Inc. for the six-month reporting period ended May 31, 2018. Please read on for Fund performance information and a detailed look at prevailing economic and market conditions during the Fund's reporting period.

Special shareholder notice:

On May 29, 2018, ClearBridge American Energy MLP Fund Inc. (NYSE: CBA) and ClearBridge Energy MLP Opportunity Fund Inc. (NYSE: EMO) announced approval by each Fund's Board of Directors of a proposal to merge CBA with and into EMO, subject to approval by the stockholders of each Fund. If the proposed merger is approved by the stockholders of each Fund, (i) common stockholders of CBA would receive common stock of EMO, based on each Fund's respective net asset value per share and (ii) holders of CBA's mandatory redeemable preferred stock (the CBA MRPS) would receive shares of mandatory redeemable preferred stock of EMO in the same number and with terms identical to their CBA MRPS. In lieu of issuing fractional shares of common stock, EMO will pay cash to each former common stockholder of CBA in an amount equal to the value of the fractional shares of CBA common stock that the investor would otherwise have received in the merger. If approved by stockholders, the merger is anticipated to occur during the fourth quarter of 2018.

Management and each Fund's Board of Directors believe it is in the best interests of stockholders to merge CBA with and into EMO in part because the combined fund may benefit from economies of scale, as one set of fixed expenses would be spread over a larger asset base, as well as from the possibility of enhanced market liquidity and improved market price trading relative to NAV. The merger will also result in a more streamlined product offering, allowing for more focused marketing and stockholder servicing efforts. Management and the Fund's investment adviser do not anticipate any material portfolio turnover as a result of the proposed merger. The merger is expected to qualify as a tax-free reorganization for federal income tax purposes.

II ClearBridge Energy MLP Opportunity Fund Inc.

Table of Contents

Additionally on May 29, 2018, EMO announced approval by its Board of Directors of a change to its name from ClearBridge Energy MLP Opportunity Fund Inc. to ClearBridge Energy Midstream Opportunity Fund Inc. and, relatedly, an amendment of the Fund's 80% policy from investing at least 80% of its managed assets in master limited partnerships (MLPs) in the energy sector to investing at least 80% of its managed assets in energy midstream entities including entities structured as both partnerships and corporations.

The name and investment policy change should allow additional investment flexibility by including midstream C corporations in EMO's current 80% policy. Management does not anticipate any material change in the portfolio construction in the near term because of this policy change. EMO will implement the name and investment policy changes concurrently with the merger, although such changes are not required to be approved by stockholders and will be implemented whether or not the merger is approved.

In connection with the proposal to merge CBA with and into EMO, the Funds intend to file a combined proxy statement and prospectus with the Securities and Exchange Commission (SEC). **Investors and stockholders are advised to read the proxy statement and prospectus when it becomes available because it will contain important information.** When filed with the SEC, the proxy statement and prospectus and other documents filed by the Funds will be available free of charge at the SEC's website, <http://www.sec.gov>. Stockholders can also obtain copies of these documents, when available, for free by calling the Funds at 1-888-777-0102 or consulting the Funds' website at www.lmcef.com.

The foregoing is not an offer to purchase nor a solicitation of an offer to sell shares of the Funds. CBA and EMO, their directors and executive officers and investment adviser, members of their management and employees may be deemed to be participants in the solicitation of proxies from the Funds' stockholders in connection with the proposed merger. Information concerning the interests of the participants in the solicitation will be set forth in the proxy statement and prospectus to be filed with the SEC and will be set forth in the stockholder reports of the Funds on Form N-CSR to be filed with the SEC.

As always, we remain committed to providing you with excellent service and a full spectrum of investment choices. We also remain committed to supplementing the support you receive from your financial advisor. One way we accomplish this is through our website, www.lmcef.com. Here you can gain immediate access to market and investment information, including:

Fund prices and performance,

Market insights and commentaries from our portfolio managers, and

A host of educational resources.

We look forward to helping you meet your financial goals.

Sincerely,

Jane Trust, CFA

Chairman, President and

Chief Executive Officer

June 29, 2018

Table of Contents

Investment commentary

Economic review

Economic activity in the U.S. was somewhat mixed during the six months ended May 31, 2018 (the reporting period). Looking back, the U.S. Department of Commerce reported that third and fourth quarter 2017 U.S. gross domestic product (GDP) growth was 3.2% and 2.9%, respectively. Finally, the U.S. Department of Commerce's final reading for first quarter 2018 GDP growth released after the reporting period ended was 2.0%. More modest GDP growth in the first quarter reflected decelerations in personal consumption expenditures (PCE), exports, state and local government spending, and federal government spending and a downturn in residential fixed investment. These movements were partly offset by a smaller decrease in private inventory investment and a larger increase in nonresidential fixed investment.

Job growth in the U.S. was solid overall and supported the economy during the reporting period. When the reporting period ended on May 31, 2018, the unemployment rate was 3.8%, as reported by the U.S. Department of Labor. This was the lowest unemployment rate since April 2000. The percentage of longer-term unemployed declined during the reporting period. In May 2018, 19.4% of Americans looking for a job had been out of work for more than six months, versus 22.9% when the period began.

IV ClearBridge Energy MLP Opportunity Fund Inc.

Table of Contents

Market review

Q. How did the Federal Reserve Board (the Fed) respond to the economic environment?

A. The Fed increased the federal funds rateⁱⁱⁱ twice during the reporting period. Looking back, at its meeting that concluded on September 20, 2017 before the reporting period began the Fed kept rates on hold but reiterated its intention to begin reducing its balance sheet, saying, "In October, the Committee will initiate the balance sheet normalization program." At its meeting that ended on December 13, 2017, the Fed raised rates to a range between 1.25% and 1.50%. As expected, the Fed kept rates on hold at its meeting that concluded on January 31, 2018. However, at its meeting that ended on March 21, 2018, the Fed again raised the federal funds rate, moving it to a range between 1.50% and 1.75%. Finally, at its meeting that concluded on June 13, 2018 after the reporting period ended the Fed raised the federal funds rate to a range between 1.75% and 2.00%.

Q. What factors impacted the U.S. stock market during the reporting period?

A. Despite times of weakness, the U.S. stock market posted positive results for the reporting period. The market moved higher during the first two months of the period and reached several new all-time highs. This was driven by overall solid corporate profits, signs of continued economic growth and, in December 2017, the signing of the U.S. tax reform bill. However, the market then gave back a portion of its gains in February and March 2018. This occurred given concerns that the Fed may raise interest rates more aggressively than previously expected. In addition, there were fears of a global trade war and several high profile issues in the technology industry. The market ended the reporting period on a positive note, as it rallied in April and May 2018. All told, for the six months ended May 31, 2018, the S&P 500 Index^{iv} gained 3.16%.

Looking at the U.S. stock market more closely, small-cap stocks, as measured by the Russell 2000 Index^v, generated the strongest results, returning 6.47% over the reporting period. In contrast, large-cap stocks, as measured by the Russell 1000 Index^{vi}, gained 3.33% and mid-cap stocks, as measured by the Russell Midcap Index^{vii}, returned 2.59%. From an investment style perspective, growth and value stocks, as measured by the Russell 3000 Growth^{viii} and Russell 3000 Value^{ix} Indices, returned 7.21% and -0.17%, respectively, during the six months ended May 31, 2018.

Looking at the energy master limited partnership (MLP) market, over the six-month reporting period ended May 31, 2018, the Alerian MLP Index^x returned 5.71%. Oil prices rose steadily throughout most of the reporting period, faltering temporarily in February 2018 in sympathy with the equity market as it corrected and as inventories rose, and again late in May 2018 in advance of June's Organization of the Petroleum Exporting Countries (OPEC) meeting, which some investors feared would bring an easing of supply cuts. Broadly, prices were buoyed by strong global demand stemming from synchronized global growth, steady non-U.S. production cuts and elevated geopolitical risks to supply. A Federal Energy Regulatory Commission (FERC)ⁱ ruling in March 2018, changing how MLPs will be allowed to calculate allowed rates of return on some interstate pipelines, led to a temporary downdraft in MLPs. The MLP market regained all of these losses by the

Table of Contents

Investment commentary (cont d)

end of May 2018, however, as investors began to understand that not all MLP companies were affected by the FERC ruling and valuations for the sector remained attractive.

Performance review

For the six months ended May 31, 2018, ClearBridge Energy MLP Opportunity Fund Inc. returned 8.24% based on its net asset value (NAVⁱⁱ) and 11.78% based on its New York Stock Exchange (NYSE) market price per share. The Lipper Energy MLP Closed-End Funds Category Average^{xiii} returned 8.58% over the same time frame. Please note that Lipper performance returns are based on each fund s NAV.

During this six-month period, the Fund made distributions to shareholders totaling \$0.64 per share. As of May 31, 2018, the Fund estimates that all of the distributions constituted a return of capital.* The performance table shows the Fund s six-month total return based on its NAV and market price as of May 31, 2018. **Past performance is no guarantee of future results.**

Performance Snapshot as of May 31, 2018
(unaudited)

	6-Month Total Return**
Price Per Share	
\$11.67 (NAV)	8.24% #
\$11.05 (Market Price)	11.78%

All figures represent past performance and are not a guarantee of future results. Performance figures for periods shorter than one year represent cumulative figures and are not annualized.

**** Total returns are based on changes in NAV or market price, respectively. Returns reflect the deduction of all Fund expenses, including management fees, operating expenses, and other Fund expenses. Returns do not reflect the deduction of brokerage commissions or taxes that investors may pay on distributions or the sale of shares.**

Total return assumes the reinvestment of all distributions, including returns of capital, if any, at NAV.

Total return assumes the reinvestment of all distributions, including returns of capital, if any, in additional shares in accordance with the Fund s Dividend Reinvestment Plan.

Looking for additional information?

The Fund is traded under the symbol EMO and its closing market price is available in most newspapers under the NYSE listings. The daily NAV is available on-line under the symbol XEMOX on most financial websites. *Barron s* and the *Wall Street Journal s* Monday edition both carry closed-end fund tables that provide additional information. In addition, the Fund issues a quarterly press release that can be found on most major financial websites as well as www.lmcef.com (click on the name of the Fund).

In a continuing effort to provide information concerning the Fund, shareholders may call

*This estimate is not for tax purposes. The Fund will issue a Form 1099 with final composition of the distributions for tax purposes after year-end. A return of capital is not taxable and results in a reduction in the tax basis of a shareholder s investment. For more information about a distribution s composition, please refer to the Fund s distribution press release or, if applicable, the Section 19 notice located in the press release section of our website, www.lmcef.com (click on the name of the Fund).

Edgar Filing: ClearBridge Energy MLP Opportunity Fund Inc. - Form N-CSRS

On December 22, 2017, the Fund adjusted its deferred tax liability balance to reflect updated assumptions regarding effective tax rates, resulting in a one-time increase to the NAV.

VI ClearBridge Energy MLP Opportunity Fund Inc.

Table of Contents

1-888-777-0102 (toll free), Monday through Friday from 8:00 a.m. to 5:30 p.m. Eastern Time, for the Fund's current NAV, market price and other information.

Thank you for your investment in ClearBridge Energy MLP Opportunity Fund Inc. As always, we appreciate that you have chosen us to manage your assets and we remain focused on achieving the Fund's investment goals.

Sincerely,

Jane Trust, CFA

Chairman, President and

Chief Executive Officer

June 29, 2018

***RISKS:** The Fund is a non-diversified, closed-end management investment company designed primarily as a long-term investment and not as a trading vehicle. The Fund is not intended to be a complete investment program and, due to the uncertainty inherent in all investments, there can be no assurance that the Fund will achieve its investment objective. The Fund's common stock is traded on the New York Stock Exchange. Similar to stocks, the Fund's share price will fluctuate with market conditions and, at the time of sale, may be worth more or less than the original investment. Shares of closed-end funds often trade at a discount to their net asset value. Because the Fund is non-diversified, it may be more susceptible to economic, political or regulatory events than a diversified fund. The Fund's investments are subject to a number of risks, including stock market risk, MLP risk, market events risk and portfolio management risk. MLP distributions are not guaranteed and there is no assurance that all distributions will be tax deferred. Investments in MLP securities are subject to unique risks. The Fund's concentration of investments in energy-related MLPs subjects it to the risks of MLPs and the energy sector, including the risks of declines in energy or commodity prices, decreases in energy demand, adverse weather conditions, natural or other disasters, changes in government regulation, and changes in tax laws. Leverage may result in greater volatility of NAV and the market price of common shares, and increases a shareholder's risk of loss. The Fund may make significant investments in derivative instruments. Derivative instruments can be illiquid, may disproportionately increase losses, and have a potentially large impact on Fund performance. The Fund may invest in small-capitalization or illiquid securities, which can increase the risk and volatility of the Fund.*

All investments are subject to risk including the possible loss of principal. Past performance is no guarantee of future results. All index performance reflects no deduction for fees, expenses or taxes. Please note that an investor cannot invest directly in an index.

The information provided is not intended to be a forecast of future events, a guarantee of future results or investment advice. Views expressed may differ from those of the firm as a whole.

ClearBridge Energy MLP Opportunity Fund Inc.

VII

Table of Contents

Investment commentary (cont d)

- ⁱ Gross domestic product (GDP) is the market value of all final goods and services produced within a country in a given period of time.
- ⁱⁱ The Federal Reserve Board (the Fed) is responsible for the formulation of U.S. policies designed to promote economic growth, full employment, stable prices and a sustainable pattern of international trade and payments.
- ⁱⁱⁱ The federal funds rate is the rate charged by one depository institution on an overnight sale of immediately available funds (balances at the Federal Reserve) to another depository institution; the rate may vary from depository institution to depository institution and from day to day.
- ^{iv} The S&P 500 Index is an unmanaged index of 500 stocks and is generally representative of the performance of larger companies in the U.S.
- ^v The Russell 2000 Index measures the performance of the small-cap segment of the U.S. equity universe. The Russell 2000 is a subset of the Russell 3000 Index representing approximately 10% of the total market capitalization of that index. It includes approximately 2,000 of the smallest securities based on a combination of their market cap and current index membership.
- ^{vi} The Russell 1000 Index measures the performance of the large-cap segment of the U.S. equity universe. It is a subset of the Russell 3000 Index and includes approximately 1,000 of the largest securities based on a combination of their market cap and current index membership. The Russell 1000 represents approximately 90% of the U.S. market. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the U.S. equity market.
- ^{vii} The Russell Midcap Index measures the performance of the mid-cap segment of the U.S. equity universe. The Russell Midcap is a subset of the Russell 1000 Index. It includes approximately 800 of the smallest securities based on a combination of their market cap and current index membership. The Russell Midcap represents approximately 31% of the total market capitalization of the Russell 1000 companies.
- ^{viii} The Russell 3000 Growth Index measures the performance of the broad growth segment of the U.S. equity universe. It includes those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. (A price-to-book ratio is the price of a stock compared to the difference between a company's assets and liabilities.)
- ^{ix} The Russell 3000 Value Index measures the performance of the broad value segment of the U.S. equity universe. It includes those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values.
- ^x The Alerian MLP Index is a composite of the fifty most prominent energy master limited partnerships (MLPs) and is calculated using a float-adjusted, capitalization-weighted methodology.
- ^{xi} The Federal Energy Regulatory Commission, or FERC, is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects.

Edgar Filing: ClearBridge Energy MLP Opportunity Fund Inc. - Form N-CSRS

^{xii} Net asset value (NAV) is calculated by subtracting total liabilities, including liabilities associated with financial leverage (if any), from the closing value of all securities held by the Fund (plus all other assets) and dividing the result (total net assets) by the total number of the common shares outstanding. The NAV fluctuates with changes in the market prices of securities in which the Fund has invested. However, the price at which an investor may buy or sell shares of the Fund is the Fund's market price as determined by supply of and demand for the Fund's shares.

^{xiii} Lipper, Inc., a wholly-owned subsidiary of Reuters, provides independent insight on global collective investments. Returns are based on the six-month period ended May 31, 2018, including the reinvestment of all distributions, including returns of capital, if any, calculated among the 24 funds in the Fund's Lipper category.

VIII ClearBridge Energy MLP Opportunity Fund Inc.

Table of Contents

Fund at a glance (unaudited)

Investment breakdown (%) as a percent of total investments

The bar graph above represents the composition of the Fund's investments as of May 31, 2018 and November 30, 2017. The Fund is actively managed. As a result, the composition of the Fund's investments is subject to change at any time.

Table of Contents**Schedule of investments (unaudited)**

May 31, 2018

ClearBridge Energy MLP Opportunity Fund Inc.

	Shares/	
	Units	Value
Security		
Master Limited Partnerships 131.8%		
<i>Crude/Refined Products Pipelines 2.4%</i>		
BP Midstream Partners LP	408,257	\$ 8,724,452
<i>Diversified Energy Infrastructure 35.2%</i>		
Energy Transfer Partners LP	2,110,060	40,070,040
Enterprise Products Partners LP	1,982,557	57,295,897
Genesis Energy LP	1,169,450	25,681,122
Plains GP Holdings LP, Class A Shares	217,965	5,355,400
<i>Total Diversified Energy Infrastructure</i>		<i>128,402,459</i>
<i>Gathering/Processing 31.6%</i>		
Antero Midstream Partners LP	178,000	5,384,500
Blueknight Energy Partners LP	615,845	2,278,627
DCP Midstream LP	485,995	20,368,050
Dominion Energy Midstream Partners LP	151,270	1,936,256
Enable Midstream Partners LP	872,950	14,438,593
EnLink Midstream Partners LP	1,213,158	20,745,002
EQT Midstream Partners LP	53,000	2,958,990
Noble Midstream Partners LP	152,890	7,884,537
Rice Midstream Partners LP	230,000	4,248,100
Tallgrass Energy Partners LP	323,000	14,105,410
Western Gas Partners LP	399,230	20,628,214
<i>Total Gathering/Processing</i>		<i>114,976,279</i>
<i>General Partner 3.0%</i>		
Tallgrass Energy GP LP	512,210	11,017,637
<i>Liquids Transportation & Storage 33.5%</i>		
Buckeye Partners LP	627,856	22,634,209
Delek Logistics Partners LP	293,030	8,615,082
Enbridge Energy Partners LP	1,328,134	13,082,120
Global Partners LP	173,670	3,013,174
Holly Energy Partners LP	263,232	7,733,756
Magellan Midstream Partners LP		