

MCDERMOTT INTERNATIONAL INC
 Form 4
 July 06, 2006

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
FEES JOHN A

(Last) (First) (Middle)

C/O MCDERMOTT INTERNATIONAL, INC., 777 N. ELDRIDGE PARKWAY

(Street)

HOUSTON, TX 70112

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
MCDERMOTT INTERNATIONAL INC [MDR]

3. Date of Earliest Transaction (Month/Day/Year)
07/03/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
 Pres&COO-BWX Technologies

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
| | | | | (A) or (D) Code V Amount Price | | | |
| Common Stock | 07/03/2006 | | M ⁽¹⁾ | 4,500 A \$ 6.0066 | 58,546.941 | D | |
| Common Stock | 07/03/2006 | | S ⁽¹⁾ | 4,500 D \$ 45.59 | 54,046.941 (2) | D | |
| Common Stock | | | | | 8,135 (3) | I | 401(K) Plan |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

Persons who respond to the collection of information contained in this form are not

SEC 1474 (9-02)

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Title and Amount of Underlying Securities (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|---|
| Stock Option (Right to Buy) | \$ 6.0066 ⁽⁴⁾ | 07/03/2006 | | M ⁽¹⁾ | 4,500 | ⁽⁵⁾ 03/18/2014 | Common Stock | 4,500 ⁽⁴⁾ |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|------------|------------------|
| | Director | 10% Owner | Officer | Other |
| FEES JOHN A C/O MCDERMOTT INTERNATIONAL, INC. 777 N. ELDRIDGE PARKWAY HOUSTON, TX 70112 | | | Pres & COO | BWX Technologies |

Signatures

Robert Stumpf,
Attorney-in-fact

07/06/2006

__Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The sales and/or underlying exercise reported in the Form 4 were effected pursuant to a rule 10b5-1 trading plan adopted by the reporting person on May 25, 2006.
- (2) The reporting person's ownership of common stock has been adjusted to reflect the 3-for-2 stock split that occurred on May 31, 2006.
- (3) Based upon units held in 401K Plan and the fair market value of MDR common stock as of 7/03/06.
- (4) This option was previously reported as 54,300 shares at an exercise price of \$9.01, but was adjusted to reflect the stock split that occurred on May 31, 2006.

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(5) This option provided for vesting in three equal installmenst on March 18, 2005, 2006, and 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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