

MCDERMOTT INTERNATIONAL INC
 Form 4
 November 17, 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 *
 NESSER JOHN T III

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
 C/O MCDERMOTT INTERNATIONAL, INC., 777 N. ELDRIDGE PARKWAY

3. Date of Earliest Transaction (Month/Day/Year)
 11/15/2006

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 EVP and General Counsel

(Street)
 HOUSTON, TX 77079

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

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

(City) (State) (Zip)

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 (A) or Disposed of (D) | | | 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) | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|--------|--------|---|--|---|----------------|
| | | | | Code | V | Amount | | | | (A) or (D) |
| Common Stock | 11/15/2006 | | M ⁽¹⁾ | | 15,000 | A | \$ 9.6666 | 188,941 | D | |
| Common Stock | 11/15/2006 | | S ⁽¹⁾ | | 15,000 | D | 2 | 173,941 | D | |
| Common Stock | | | | | | | | 6,725 ⁽³⁾ | I | 401 (K) Shares |

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

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SEC 1474 (9-02)

required to respond unless the form displays a currently valid OMB control number.

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. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Options (Right to Buy) | \$ 9.6666 (4) | 11/15/2006 | | M(1) | 15,000 (4) | (5) 03/06/2012 | Common Stock | 15,000 (4) |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

NESSER JOHN T III
C/O MCDERMOTT INTERNATIONAL, INC.
777 N. ELDRIDGE PARKWAY
HOUSTON, TX 77079

EVP and General Counsel

Signatures

Liane K. Hinrichs,
Attorney-in-Fact 11/17/2006

**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 underlying exercise reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 8, 2006.
The stock was sold in multiple transactions at the following prices: 100 shares at \$48.29; 700 shares at \$48.28; 100 shares at \$48.26; 100 shares at \$48.25; 1,100 shares at \$48.24; 2,400 shares at \$48.23; 900 shares at \$48.22; 1,500 shares at \$48.20; 100 shares at \$48.16; 100 shares at \$48.15; 200 shares \$48.14; 1,600 shares at \$48.13; 200 shares at \$48.11; 500 shares at \$48.08; 800 shares at \$48.03; 600 shares at \$48.02; 200 shares at \$48.01; and 3,800 shares at \$48.00.
- (3) Based upon units held in 401K Plan and the fair market value of Common Stock as of November 14, 2006.
- (4) This option was previously reported as covering 84,000 shares at an exercise price of \$14.50 per share, but was adjusted to reflect the 3-for-2 stock split that occurred on May 31, 2006.

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(5) The options provided for vesting in three equal installments, on March 6, 2003, 2004 and 2005.

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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