

MCDERMOTT INTERNATIONAL INC
 Form 4
 August 14, 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 *
 DEASON ROBERT A

(Last) (First) (Middle)

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

(Street)

HOUSTON, TX 77079

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)
 08/10/2006

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-J. Ray McDermott, SA

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 (A) 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 Ownership (Instr. 4)
				(A) or (D)	Price		
Common Stock	08/10/2006		M	20,000	A \$ 6.0066	158,964	D
Common Stock	08/10/2006		S	20,000	D 6.0066	138,964	D
Common Stock						3,019 (2)	I 401(K) Shares

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

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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. Amount or Number of Shares
Stock Options (Right to Buy)	\$ 6.0066 ⁽³⁾	08/10/2006		M	20,000 ⁽³⁾	⁽⁴⁾ 03/18/2014	Common Stock	20,000 ⁽³⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DEASON ROBERT A C/O MCDERMOTT INTERNATIONAL, INC. 777 N. ELDRIDGE PARKWAY HOUSTON, TX 77079			Pres&COO-J. Ray McDermott, SA	

Signatures

Liane K. Hinrichs,
Attorney-in-Fact

08/14/2006

__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 stock was sold in multiple transactions at the following prices: 300 shares @ \$47.80; 100 shares @ \$47.81; 300 shares @ \$47.82; 100 shares @ \$47.83; 400 shares @ \$47.84; 400 shares @ \$47.85; 400 shares @ \$47.86; 200 shares @ \$47.87; 100 shares @ \$47.88; 200 shares @ \$47.89; 300 shares @ \$47.90; 300 shares @ \$47.92; 600 shares @ \$47.93; 500 shares @ \$47.94; 100 shares @ \$47.99; 2800 shares @ \$48.00; 600 shares @ \$48.02; 100 shares @ \$48.04; 100 shares @ \$48.06; 200 shares @ \$48.09; 400 shares @ \$48.15; 100 shares @ \$48.18; 1200 shares @ \$48.20; 100 shares @ \$48.25; 100 shares @ \$48.27; 7300 shares @ \$48.28; 1300 shares @ \$48.30; 100 shares @ \$48.31; and 1300 shares @ \$48.36.
- (2) Based upon units held in 401K Plan and the fair market value of Common Stock as of August 9, 2006.
- (3) This option was previously reported as covering 50,000 shares at an exercise price of \$9.01 per share, but was adjusted to reflect the 3-for-2 stock split that occurred on May 31, 2006.

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(4) The options provided for vesting in three equal installments, 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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