

MCDERMOTT INTERNATIONAL INC

Form 4

October 18, 2006

**FORM 4****UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

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

## OMB APPROVAL

OMB  
Number: 3235-0287  
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2005  
Estimated average  
burden hours per  
response... 0.5

(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 77079**

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading  
Symbol

**MCDERMOTT INTERNATIONAL  
INC [MDR]**

3. Date of Earliest Transaction  
(Month/Day/Year)  
**10/16/2006**

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

5. Relationship of Reporting Person(s) to  
Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check  
Applicable Line)  
\_\_\_\_X\_\_\_\_ 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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3.<br>Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>or Disposed of (D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|-----------------------------------------|-------------------------------------------------------------|-----------------------------------------|---------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------|-------------------------------------------------------------------|
|                                       |                                         |                                                             |                                         | (A)<br>or<br>(D)                                                    | Price                                                                                                              |                                                                      |                                                                   |
| Common<br>Stock                       | 10/16/2006                              |                                                             | M <sup>(1)</sup>                        | 4,500                                                               | A                                                                                                                  | \$<br>6.0066                                                         | 58,546.941 D                                                      |
| Common<br>Stock                       | 10/16/2006                              |                                                             | S <sup>(1)</sup>                        | 4,500                                                               | D                                                                                                                  | \$ 42.82                                                             | 54,046.941 D                                                      |
| Common<br>Stock                       |                                         |                                                             |                                         |                                                                     |                                                                                                                    | 8,141 <sup>(2)</sup>                                                 | I 401 (K)<br>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)

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number<br>of Derivative<br>Securities<br>Acquired<br>(A) or<br>Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. Deemed<br>Settlement<br>Date<br>(Instr. 3) |                                        |
|-----------------------------------------------------|--------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------------------|--------------------------------------|-----------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------|---------------------------------------------------------------------|-----------------------------------------------|----------------------------------------|
|                                                     |                                                                    |                                         |                                                             | Code                                 | V                                                                                                               | (A)                                                            | (D)                                                                 |                                               |                                        |
|                                                     |                                                                    |                                         |                                                             |                                      |                                                                                                                 | Date<br>Exercisable                                            | Expiration<br>Date                                                  | Title                                         | Amount<br>or<br>Number<br>of<br>Shares |
| Stock<br>Option<br>(Right to<br>Buy)                | \$ 6.0066                                                          | 10/16/2006                              |                                                             | <u>M</u> <sup>(1)</sup>              |                                                                                                                 | <u>(3)</u>                                                     | 03/18/2014                                                          | Common<br>Stock                               | 4,500                                  |

| Reporting Owner Name / Address                                                                   | Relationships |           |                           |       |
|--------------------------------------------------------------------------------------------------|---------------|-----------|---------------------------|-------|
|                                                                                                  | Director      | 10% Owner | Officer                   | Other |
| FEES JOHN A<br>C/O MCDERMOTT INTERNATIONAL, INC.<br>777 N. ELDRIDGE PARKWAY<br>HOUSTON, TX 77079 |               |           | Pres&COO-BWX Technologies |       |

Liane K. Hinrichs,  
Attorney-in-Fact

          \*\*Signature of Reporting Person

Date \_\_\_\_\_

- \* 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 25, 2006.
- (2) Based upon units held in 401K Plan and the fair market value of MDR common stock as of October 16, 2006.
- (3) This option provided for vesting in three equal installments on March 18, 2005, 2006 and 2007.