

MCDERMOTT INTERNATIONAL INC
 Form 4
 June 19, 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)

3. Date of Earliest Transaction (Month/Day/Year)
 06/15/2006

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

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

(Street)

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

HOUSTON, TX 77079

(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) (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) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V Amount (D) Price | | | |
| Common Stock | 06/15/2006 | | M ⁽¹⁾ | 15,000 A \$ 0 | 190,308 | D | |
| Common Stock | 06/15/2006 | | S ⁽¹⁾ | 15,000 D \$ 42 | 175,308 ⁽²⁾ | D | |
| Common Stock | | | | | 6,686 ⁽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)

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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) | \$ 9.69 ⁽⁴⁾ | 06/15/2006 | | M ⁽¹⁾ | 15,000 ⁽⁴⁾ | ⁽⁵⁾ 03/06/2011 | 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 06/19/2006

 **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 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on May 27, 2005.
- (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 Common Stock as of June 15, 2006.
- (4) This option was previously reported as covering 104,000 shares at an exercise price of \$14.535 per share, but was adjusted to reflect the 3-for-2 stock split that occurred on May 31, 2006.
- (5) The options provided for vesting in three equal installments, on March 6, 2002, 2003 and 2004.

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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