

NESSER JOHN T III
Form 4
November 15, 2010

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
(Street)

3. Date of Earliest Transaction (Month/Day/Year)
08/02/2010

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP, COO

HOUSTON, TX 77079
(City) (State) (Zip)

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

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | | | | | 314,181 | D | |
| Common Stock | | | | | 200,000 | I | By GRAT (1) |
| Common Stock | | | | | 14,491 | I | 401K Plan (2) |

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) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| | | | | Code | V (A) (D) | Date Exercisable Expiration Date | Title Amount or Number of Shares |
| Restricted Stock Units | (3) | 08/02/2010 | | J(4) | V 23,874 | (5) 03/05/2012 | Common Stock 23,874 |
| Stock Options (right to buy) | \$ 5.64 | 08/02/2010 | | J(6) | V 45,172 | (7) 03/05/2016 | Common Stock 45,172 |
| Restricted Stock Units | (3) | 08/02/2010 | | J(8) | V 24,828 | (9) 03/04/2013 | Common Stock 24,828 |
| Stock Options (right to buy) | \$ 13.09 | 08/02/2010 | | J(10) | V 36,818 | (11) 03/04/2017 | Common Stock 36,818 |

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, COO

Signatures

Robert E. Stumpf, by power of attorney

11/15/2010

**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) On October 27, 2010, the reporting person contributed 200,000 shares of MDR common stock to a grantor retained annuity trust of which the reporting person is Trustee and has indirect beneficial ownership.
- (2) Based upon units held in 401K Plan and the fair market value of Common Stock as of November 10, 2010.
- (3) Each restricted stock unit represents a contingent right to receive one share of MDR common stock.
- (4) 11,556 additional restricted stock units were granted as a result of adjustments in connection with the July 30, 2010 spin-off of The Babcock & Wilcox Company (the "Spin-off").
- (5) The restricted stock units generally vest in three equal annual installments beginning March 5, 2010.
- (6) These options were originally reported as covering 34,959 shares at an exercise price of \$10.93 per share, but only options covering 23,306 shares were outstanding immediately prior to the Spin-off, and these options were adjusted in connection with the Spin-off.
- (7) The options generally vest and become exercisable in three equal annual installments beginning March 5, 2010.
- (8) 12,018 additional restricted stock units were granted as a result of adjustments in connection with the Spin-off.
- (9) The restricted stock units generally vest in three equal annual installments beginning March 4, 2011.
- (10) These options were originally reported as covering 18,996 shares at an exercise price of \$25.37 per share, and these options were adjusted in connection with the Spin-off.
- (11) The options generally vest and become exercisable in three equal annual installments beginning March 4, 2011.

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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