

MCDERMOTT INTERNATIONAL INC

Form 4

December 19, 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

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(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)
12/15/2006

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 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 Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D) Price			
Common Stock	12/15/2006		M ⁽¹⁾		4,500	A \$ 13.4533 ⁽³⁾	58,546.941	D	
Common Stock	12/15/2006		S ⁽¹⁾		4,500	D \$ 50.9	54,046.941	D	
Common Stock							8,138 ⁽²⁾	I	401 (K) Plan

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

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(9-02)

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 (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. Title and Amount of Underlying Securities (Instr. 3 and 4)
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock Option (Right to Buy)	\$ 13.4533 (3)	12/15/2006		M(1)	4,500 (3)	(4)	05/12/2015	Common Stock	4,500 (3)

Reporting Owners

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

Signatures

Robert E. Stumpf,
Attorney-in-Fact 12/19/2006

__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 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 December 14, 2006.
- (3) This option was previously reported as covering 33,970 shares at an exercise price of \$20.18 per share, but was adjusted to reflect the 3-for-2 stock split that occurred on May 31, 2006.

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(4) This option provided for vesting in three equal installments on May 12, 2006, 2007 and 2008.

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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