

MCDERMOTT INTERNATIONAL INC

Form 4

August 14, 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
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(Print or Type Responses)

1. Name and Address of Reporting Person *
NESSER JOHN T III

(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
____X____ Officer (give title below) ____ Other (specify below)
EVP and General Counsel

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)
Common Stock	08/10/2006		M	25,000	A \$ 6.2708	198,941	D
Common Stock	08/10/2006		S	25,000	D 11	173,941	D
Common Stock						6,725 (2)	I 401(K) Shares

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)

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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)	\$ 6.2708 (3)	08/10/2006		M	25,000 (3)	(4) 03/20/2010	Common Stock	25,000 (3)

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

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: 3200 shares @ \$48.00; 1000 shares @ \$48.01; 300 shares @ \$48.02; 100 shares @ \$48.03; 200 shares @ \$48.04; 500 shares @ \$48.05; 1000 shares @ \$48.06; 700 shares @ \$48.07; 200 shares @ \$48.08; 1500 shares @ \$48.09; 1600 shares @ \$48.10; 400 shares @ \$48.11; 500 shares @ \$48.12; 2700 shares @ \$48.13; 500 shares @ \$48.14; 300 shares @ \$48.15; 400 shares @ \$48.16; 100 shares @ \$48.17; 1100 shares @ \$48.19; 200 shares @ \$48.20; 600 shares @ \$48.21; 900 shares @ \$48.22; 1000 shares @ \$48.23; 700 shares @ \$48.24; 200 shares @ \$48.25; 300 shares @ \$48.26; 200 shares @ \$48.28; 3900 shares @ \$48.29; 200 shares @ \$48.30; 100 shares @ \$48.32; 200 shares @ \$48.33; and 200 shares @ \$48.34.
- (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 36,100 shares at an exercise price of \$9.4063 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 20, 2001, 2002 and 2003.

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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