

MCDERMOTT INTERNATIONAL INC
 Form 4
 August 24, 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 *
 DEASON ROBERT A

2. Issuer Name and Ticker or Trading Symbol
 MCDERMOTT INTERNATIONAL INC [MDR]

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)
 Director 10% Owner
 Officer (give title below) Other (specify below)
 Pres&COO-J. Ray McDermott, SA

(Last) (First) (Middle)
 C/O MCDERMOTT INTERNATIONAL, INC., 777 N. ELDRIDGE PARKWAY
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 08/22/2006

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 | | |
| | | | | Code V | Amount | | |
| Common Stock | 08/22/2006 | | M | 25,000 | A \$ 2.1 | D | |
| Common Stock | 08/22/2006 | | S | 25,000 | D 11 | D | |
| Common Stock | | | | | 3,019 (2) | 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) | \$ 2.1 | 08/22/2006 | | M | 25,000 | (3) 04/02/2013 | Common Stock | 25,000 |

Reporting Owners

Reporting Owner Name / Address

Relationships

Director 10% Owner Officer Other

DEASON ROBERT A
C/O MCDERMOTT INTERNATIONAL, INC.
777 N. ELDRIDGE PARKWAY
HOUSTON, TX 77079

Pres&COO-J. Ray McDermott, SA

Signatures

Liane K. Hinrichs, 08/24/2006
Attorney-in-Fact

**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).

The stock was sold in multiple transactions at the following prices: 1,200 shares @ \$49.2448; 800 shares @ \$49.27; 400 shares @ \$49.2784; 800 shares @ \$49.29; 400 shares @ \$49.2936; 1,100 shares @ \$49.31; 1,900 shares @ \$49.32; 400 shares @ \$49.3248; 800 shares @ \$49.34; 300 shares @ \$49.3484; 100 shares @ \$49.35; 900 shares @ \$49.40; 400 shares @ \$49.4072; 700 shares @ \$49.41;

(1) 400 shares @ \$49.4172; 1,200 shares @ \$49.4796; 800 shares @ \$49.48; 400 shares @ \$49.4860; 700 shares @ \$49.52; 400 shares @ \$49.53; 1,200 shares @ \$49.55; 1,200 shares @ \$49.5548; 800 shares @ \$49.56; 400 shares @ \$49.5672; 500 shares @ \$49.5748; 1,300 shares @ \$49.58; 600 shares @ \$49.59; 1,200 shares @ \$49.60; 100 shares @ \$49.61; 800 shares @ \$49.67; 400 shares @ \$49.6748; 800 shares @ \$49.69; 400 shares @ \$49.6936; 800 shares @ \$49.73; and 400 shares @ \$49.7324

(2) Based upon units held in 401K Plan and the fair market value of Common Stock as of August 21, 2006.

(3) The options provided for vesting in three equal installments, on April 2, 2004, 2005 and 2006.

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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