

MCDERMOTT INTERNATIONAL INC  
 Form 4  
 May 10, 2006

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549

OMB APPROVAL

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**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)  
 05/08/2006

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ 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 Ownership (Instr. 4) |         |   |  |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|---------|---|--|
|                                 |                                      |  |                                | (A) or (D)  | Price   |  |                                   |         |   |  |
|                                 |                                      |  |                                | Code  | V   | Amount   |                                   |         |   |  |
| Common Stock                    | 05/08/2006                           |  | M                              |   | 19,000  | A  | \$ 3.15                           | 135,872 | D |  |
| Common Stock                    | 05/08/2006                           |  | S                              |   | 19,000  | D  | ①                                 | 116,872 | D |  |
| Common Stock                    | 05/08/2006                           |  | M                              |   | 19,600  | A  | \$ 9.01                           | 136,472 | D |  |
| Common Stock                    | 05/08/2006                           |  | S                              |   | 19,600  | D  | ②                                 | 116,872 | D |  |
|                                 |                                      |  |                                |   |   |  |                                   | 4,437 ③ | I |  |

Common  
Stock

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 required to respond unless the form displays a currently valid OMB control number.**

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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 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 Option (Right to Buy)                | \$ 3.15  | 05/08/2006                           |  | M                              | 19,000  | <sup>(4)</sup> 04/02/2013                                | Common Stock  | 19,000                        |
| Stock Option (Right to Buy)                | \$ 9.01  | 05/08/2006                           |  | M                              | 19,600  | <sup>(5)</sup> 03/18/2014                                | Common Stock  | 19,600                        |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |                         |       |
|--|---------------|-----------|-------------------------|-------|
|  | Director      | 10% Owner | Officer                 | Other |
| NESSER JOHN T III<br>C/O MCDERMOTT INTERNATIONAL, INC.<br>777 N. ELDRIDGE PARKWAY<br>HOUSTON, TX 77079 |               |           | EVP and General Counsel |       |

## Signatures

Liane K. Hinrichs,  
Attorney-in-fact

05/10/2006

\*\*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).

Stock was sold in multiple trans. at the following prices: 200 @ \$69.40; 200 @ \$69.45; 200 @ \$69.54; 200 @ \$69.5456; 300 @ \$69.57; 200 @ \$69.63; 400 @ \$69.64; 200 @ \$69.6514; 100 @ \$69.67; 400 @ \$69.70; 400 @ \$69.7328; 200 @ \$69.75; 400 @ \$69.76; 200 @ \$69.7656; 200 @ \$69.79; 300 @ \$69.80; 400 @ \$69.807; 200 @ \$69.8098; 700 @ \$69.81; 1200 @ \$69.82; 200 @ \$69.8212; 200 @ \$69.8226; 1200 @ \$69.83; 300 @ \$69.84; 200 @ \$69.8512; 200 @ \$69.8554; 400 @ \$69.86; 200 @ \$69.8656; 100 @ \$69.8684; 400 @ \$69.88; 100 @ \$69.8856; 100 @ \$69.8868; 500 @ \$69.89; 200 @ \$69.8914; 500 @ \$69.90; 200 @ \$69.9068; 200 @ \$69.91; 200 @ \$69.9184; 400 @ \$69.92; 200 @ \$69.924; 200 @ \$69.93; 500 @ \$69.94; 600 @ \$69.95; 200 @ \$69.9542; 200 @ \$69.97; 200 @ \$69.98; 500 @ \$69.99; 200 @ \$69.9914; 200 @ \$70; 100 @ \$70.0012; 212 @ \$70.0014; 488 @ \$70.01; 400 @ \$70.0142; 500 @ \$70.02; 200 @ \$70.0228; 100 @ \$70.034; 100 @ \$70.0356; 400 @ \$70.04; 400 @ \$70.05; 200 @ \$70.0738; 200 @ \$70.11; 100 @ \$70.13; and 200 @ \$70.1384.

The stock was sold in multiple transactions at the following prices: 200 @ \$69.45; 200 @ \$69.46; 400 @ \$69.54; 200 @ \$69.57; 200 @ \$69.5812; 400 @ \$69.63; 100 @ \$69.64; 200 @ \$69.6542; 100 @ \$69.68; 400 @ \$69.707; 400 @ \$69.7328; 400 @ \$69.75; 100 @ \$69.76; 300 @ \$69.78; 200 @ \$69.8084; 600 @ \$69.81; 100 @ \$69.817; 1000 @ \$69.82; 1500 @ \$69.83; 200 @ \$69.8312; 100 @ \$69.8356; 100 @ \$69.837; 500 @ \$69.84; 700 @ \$69.85; 800 @ \$69.86; 100 @ \$69.87; 700 @ \$69.88; 800 @ \$69.89; 600 @ \$69.90; 400 @ \$69.91; 400 @ \$69.92; 800 @ \$69.93; 300 @ \$69.94; 300 @ \$69.9448; 800 @ \$69.95; 200 @ \$69.96; 400 @ \$69.98; 500 @ \$69.99; 1200 @ \$70.01; 400 @ \$70.0142; 200 @ \$70.02; 200 @ \$70.0228; 300 @ \$70.03; 1000 @ \$70.04; 400 @ \$70.0428; 100 @ \$70.0442; 100 @ \$70.09.

(3) Based upon units held in 401K Plan and the fair market value of Common Stock as of 5/5/06.

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

(5) The options provided for vesting in three equal installments, on March 18, 2005, 2006 and 2007.

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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