

MCDERMOTT INTERNATIONAL INC
 Form 4
 May 16, 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 *
KALMAN FRANCIS S

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 PKWY.
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
05/12/2006

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
EVP & CFO

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)		
				Code	V	Amount				(A) or (D)	Price
Common Stock	05/12/2006		M			2,998	A	\$ 0	104,919	D	
Common Stock	05/12/2006		D			2,998	D	\$ 70.13	101,921	D	
Common Stock	05/15/2006		M ⁽¹⁾			15,000	A	\$ 12.3516	116,921	D	
Common Stock	05/15/2006		S ⁽¹⁾			15,000	D	⁽²⁾	101,921	D	
									1,374 ⁽³⁾	I	

Common
Stock

401(K)
Plan

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)	Amount or Number of Shares
Deferred Stock Units	(4)	05/12/2006		M	2,998	05/12/2006 ⁽⁵⁾ 05/12/2010	Common Stock	2,998
Stock Option (Right to Buy)	\$ 12.3516	05/15/2006		M ⁽¹⁾	15,000	⁽⁶⁾ 02/01/2012	Common Stock	15,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KALMAN FRANCIS S C/O MCDERMOTT INTERNATIONAL, INC. 777 N. ELDRIDGE PKWY. HOUSTON, TX 77079			EVP & CFO	

Signatures

Liane K. Hinrichs,
Attorney-in-Fact 05/16/2006

__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-a trading plan adopted by the reporting person on November 23, 2005.
- (2) The stock was sold in multiple transactions at the following prices: 4,700 shares at \$67.00; 100 shares at \$67.02; 1,300 shares at \$67.04; 4,700 shares at \$67.05; 200 shares at \$67.13; and 4,000 shares at \$67.50.
- (3) Based upon units held in 401K Plan and the fair market value of MDR common stock as of 5/12/06.
- (4) Each Deferred Stock Unit represented a contingent right to receive a cash payment equal to the number of vested units multiplied by the average price of MDR common stock on the vesting date.
- (5) Vests in five equal annual installments, with the first installment vesting on this date.
- (6) The option provided for vesting in three equal installments, on February 1, 2003, 2004 and 2005.

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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