

MCDERMOTT INTERNATIONAL INC
 Form 4
 September 19, 2007

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 *
FEES JOHN A

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 PARKWAY

3. Date of Earliest Transaction (Month/Day/Year)
09/17/2007

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
P & CEO- The B&W Companies

(Street)
HOUSTON, TX 77079

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

(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 or Disposed of (A) or (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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|--|---|--|--|
| | | | | (A) or (D) | Price | | |
| Common Stock | 09/17/2007 | | M ⁽¹⁾ | 4,500 A | \$ 3.0033 | 75,093.882 | D |
| Common Stock | 09/17/2007 | | S ⁽¹⁾ | 4,500 D | \$ 49.3 | 70,593.882 <u>(2)</u> | D |
| Common Stock | | | | | | 16,511 <u>(3)</u> | I 401 (K) Plan |

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 Option (Right to Buy) | \$ 3.0033 (4) | 09/17/2007 | | M(1) | 4,500 | (5) 03/18/2014 | Common Stock | 4,500 |

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 | | | P & CEO- The B&W Companies | |

Signatures

Liane K. Hinrichs, by power of attorney
Date: 09/19/2007

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 sale and underlying exercise reported in this Form 4 were effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on March 6, 2007.
- (2) The reporting person's ownership of common stock has been adjusted to reflect the 2-for-1 stock split that occurred on September 10, 2007.
- (3) Based upon units held in 401K Plan and the fair market value of MDR common stock as of September 17, 2007.
- (4) This option was originally reported as covering 54,300 shares at an exercise price of \$9.01 but has been adjusted to reflect the 3-for-2 stock split that occurred on May 31, 2006 and the 2-for-1 stock split that occurred on September 10, 2007.

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(5) The option 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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