

**MDR/CB&I Combination Transaction**

Form **8937**  
(December 2017)  
Department of the Treasury  
Internal Revenue Service

**Report of Organizational Actions  
Affecting Basis of Securities**

OMB No. 1545-0123

▶ See separate instructions.

**Part I Reporting Issuer**

1 Issuer's name <b>McDermott International, Inc.</b>		2 Issuer's employer identification number (EIN) <b>72-0593134</b>	
3 Name of contact for additional information <b>Scott Lamb</b>	4 Telephone No. of contact <b>832-513-1068</b>	5 Email address of contact <b>Scott.Lamb@McDermott.com</b>	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact <b>757 N. Eldridge Pkwy.</b>		7 City, town, or post office, state, and ZIP code of contact <b>Houston, TX 77079</b>	
8 Date of action <b>May 10, 2018</b>	9 Classification and description <b>common stock</b>		
10 CUSIP number <b>580037703</b>	11 Serial number(s)	12 Ticker symbol <b>MDR</b>	13 Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On May 10, 2018 (the "Closing Date"), pursuant to the terms of the Business Combination Agreement dated as of December 18, 2017 (as amended or supplemented from time to time), McDermott International, Inc. ("McDermott") and Chicago Bridge & Iron Company N.V. ("CB&I") completed a series of transactions that combined their businesses (the "Combination"). As a result of the Combination, CB&I shareholders received 0.82407 shares of McDermott common stock, together with cash in lieu of fractional shares and less any applicable withholding taxes, in respect of each former share of CB&I common stock. For more information on the Combination, please see the joint proxy statement/prospectus filed with the Securities and Exchange Commission on March 29, 2018 (the "Prospectus"), which can be found at <https://www.sec.gov/Archives/edgar/data/708819/000119312518102099/d464429d424b3.htm>.**

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **McDermott believes that the Merger (as defined in the Prospectus) and the related elements of the Combination, taken together, will qualify as one or more reorganizations within the meaning of IRC Section 368(a); however, McDermott has not obtained an opinion from counsel or a ruling from the Internal Revenue Service regarding such qualification. If the Merger and the related elements of the Combination, taken together, qualify as one or more reorganizations, then a U.S. holder also generally will have an aggregate tax basis in the shares of McDermott common stock received (including any McDermott common stock that was sold by the Exchange Agent (as defined in the Prospectus) for the benefit of such U.S. holder pursuant to the McDermott Common Stock Sale (as defined in the Prospectus) and any fractional share deemed received and sold) equal to such U.S. holder's aggregate tax basis in its shares of CB&I common stock exchanged in the Combination. However, if the Merger and the related elements of the Combination, taken together, do not qualify as one or more reorganizations, then a U.S. holder generally will have an aggregate tax basis in each full share of McDermott common stock received in the Combination equal to the fair market value of such share (as discussed below). Please see pages 200-208 of the Prospectus for further details.**

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **If the Merger and the related elements of the Combination, taken together, do not qualify as one or more reorganizations, then the basis of each full share of McDermott common stock was equal to its fair market value on the Closing Date. McDermott believes that U.S. holders may use the closing price of the McDermott common stock on the Closing Date (\$20.70) as the fair market value of each share received in the Exchange Offer and the closing price of the McDermott common stock on the date of the Liquidation Distribution (\$22.80) as the fair market value of each share received in the Liquidation Distribution. However, fair market value is generally a facts and circumstances determination, and it is possible that a different fair market value for McDermott common stock could be utilized that would yield a different result. U.S. holders are urged to consult their own tax advisors.**

**Part II Organizational Action** (continued)

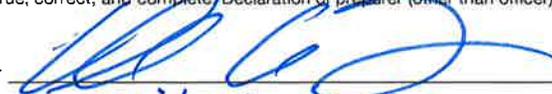
17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ IRC Sections 354(a), 358, 368(a), 1001, 1011, and 1012.

18 Can any resulting loss be recognized? ▶ If the Merger and the related elements of the Combination, taken together, qualify as one or more reorganizations, then a U.S. holder generally recognizes no loss in the Combination, except with respect to any loss recognized on a fractional share of McDermott common stock deemed to have been received or any McDermott common stock that was sold by the Exchange Agent for the benefit of such U.S. holder pursuant to the McDermott Common Stock Sale. However, if the Merger and the related elements of the Combination, taken together, do not qualify as one or more reorganizations, then a U.S. holder generally recognizes any loss with respect to such U.S. holder's CB&I common stock.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ For any former CB&I shareholder whose taxable year is the calendar year, the reportable tax year is 2018. Please see pages 200-208 of the Prospectus for further general U.S. tax consequences of the Combination.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

Signature ▶ 

Date ▶ 6/20/18

Print your name ▶ William G. Lamb

Title ▶ VICE PRESIDENT-TAX

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	