

CABOT CORP  
Form 4  
July 25, 2006

**FORM 4**

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

OMB APPROVAL

OMB Number: 3235-0287  
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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 \*  
SPO ADVISORY CORP

(Last) (First) (Middle)

591 REDWOOD HIGHWAY,  
SUITE 3215

(Street)

MILL VALLEY, CA 94941

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
CABOT CORP [CBT]

3. Date of Earliest Transaction  
(Month/Day/Year)  
07/21/2006

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_ Director \_\_\_X\_\_\_ 10% Owner  
\_\_\_ Officer (give title below) \_\_\_ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)  
\_\_\_ Form filed by One Reporting Person  
\_X\_ 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  |   |  |                                   |
| Common Stock                    | 07/21/2006                           |  | P                              | 600 A \$ 31.8   | 9,335,150   | I (1) (2) (3) (4)  | See footnotes                     |
| Common Stock                    | 07/21/2006                           |  | P                              | 1,300 A \$ 31.81  | 9,336,450   | I (1) (2) (3) (4)  | See footnotes                     |
| Common Stock                    | 07/21/2006                           |  | P                              | 400 A \$ 31.82  | 9,336,850   | I (1) (2) (3) (4)  | See footnotes                     |
| Common Stock                    | 07/21/2006                           |  | P                              | 600 A \$ 31.83  | 9,337,450   | I (1) (2) (3) (4)  | See footnotes                     |
| Common Stock                    | 07/21/2006                           |  | P                              | 900 A \$ 31.84  | 9,338,350   | I (1) (2) (3) (4)  | See footnotes                     |

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|              |            |   |        |   |          |           |                                    |               |
|--------------|------------|---|--------|---|----------|-----------|------------------------------------|---------------|
| Common Stock | 07/21/2006 | P | 3,600  | A | \$ 31.85 | 9,341,950 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 5,000  | A | \$ 31.86 | 9,346,950 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 5,100  | A | \$ 31.87 | 9,352,050 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 500    | A | \$ 31.88 | 9,352,550 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 200    | A | \$ 31.89 | 9,352,750 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 700    | A | \$ 31.9  | 9,353,450 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 13,900 | A | \$ 31.91 | 9,367,350 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 100    | A | \$ 31.93 | 9,367,450 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 700    | A | \$ 31.94 | 9,368,150 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 300    | A | \$ 31.95 | 9,368,450 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 300    | A | \$ 31.96 | 9,368,750 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 400    | A | \$ 31.97 | 9,639,150 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/21/2006 | P | 800    | A | \$ 31.98 | 9,369,950 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/24/2006 | P | 200    | A | \$ 31.92 | 9,370,150 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/24/2006 | P | 300    | A | \$ 31.93 | 9,370,450 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/24/2006 | P | 800    | A | \$ 31.94 | 9,371,250 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/24/2006 | P | 1,100  | A | \$ 31.95 | 9,372,350 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/24/2006 | P | 1,700  | A | \$ 31.96 | 9,374,050 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/24/2006 | P | 1,600  | A | \$ 31.97 | 9,375,650 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
| Common Stock | 07/24/2006 | P | 800    | A | \$ 31.98 | 9,376,450 | <u>I (1) (2) (3)</u><br><u>(4)</u> | See footnotes |
|              | 07/24/2006 | P | 1,000  | A |          | 9,377,450 |                                    |               |

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|              |            |  |   |       |          |           |  |                   |               |
|--------------|------------|--|---|-------|----------|-----------|--|-------------------|---------------|
| Common Stock |            |  |   |       | \$ 31.99 |           |  | I (1) (2) (3) (4) | See footnotes |
| Common Stock | 07/24/2006 |  | P | 7,400 | A \$ 32  | 9,384,850 |  | I (1) (2) (3) (4) | See footnotes |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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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. Price of Derivative Security (Instr. 5) | 9. Number of Derivative Securities Owned Following Reporting Date (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |       |
|--|---------------|-----------|---------|-------|
|  | Director      | 10% Owner | Officer | Other |
| SPO ADVISORY CORP<br>591 REDWOOD HIGHWAY, SUITE 3215<br>MILL VALLEY, CA 94941        |               | X         |         |       |
| SPO ADVISORY PARTNERS LP<br>591 REDWOOD HIGHWAY, SUITE 3215<br>MILL VALLEY, CA 94941 |               | X         |         |       |
| SPO PARTNERS II LP<br>591 REDWOOD HIGHWAY, SUITE 3215<br>MILL VALLEY, CA 94941       |               | X         |         |       |
| SCULLY JOHN H<br>591 REDWOOD HIGHWAY, SUITE 3215<br>MILL VALLEY, CA 94941            |               | X         |         |       |
|  |               |           | X       |       |

OBERNDORF WILLIAM E  
591 REDWOOD HIGHWAY, SUITE 3215  
MILL VALLEY, CA 94941

PATTERSON WILLIAM J  
591 REDWOOD HIGHWAY, SUITE 3215 X  
MILL VALLEY, CA 94941

## Signatures

Kim M. Silva,  
Attorney-in-Fact 07/25/2006

    \*\*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 entity acquiring these shares is SPO Partners II, L.P. ("SPO Partners"). The entire 105,900 shares were acquired by SPO Partners. As a result of the purchases causing this filing, 8,520,600 shares of the issuer's common stock are owned directly by SPO Partners, and may be deemed to be indirectly beneficially owned by (i) SPO Advisory Partners, L.P. ("SPO Advisory"), the sole general partner of SPO Partners, (ii) SPO Advisory Corp. ("SPO Corp."), the sole general partner of SPO Advisory, and (iii) John H. Scully ("JHS"), William E. Oberndorf ("WEO") and William J. Patterson ("WJP"), the three controlling persons of SPO Corp. 415,600 shares of the issuer's common stock are owned directly by San Francisco Partners, II, L.P. ("SF Partners"), and may be deemed to be indirectly beneficially owned by (i) SF Advisory Partners, L.P. ("SF Advisory"), the sole general partner of SF Partners, (ii) SPO Corp., the sole general partner of SF Advisory, and (iii) JHS, WEO and WJP, the three controlling persons of SPO Corp.
- (2) Additionally, separate from the entities above, (i) 333,650 shares of the issuer's common stock may be deemed to be indirectly beneficially owned by WEO, solely in his capacity as a trustee for the William and Susan Oberndorf Trust, dated 10/15/98 ("Oberndorf Trust"), (ii) 100,000 shares may be deemed to be indirectly beneficially owned by WEO solely in his capacity as general partner of Oberndorf Family Partners, a California limited partnership and (iii) 10,000 shares may be deemed to be indirectly beneficially owned by WEO solely in his capacity as trustee for the accounts of his two children, Peter C. Oberndorf and William Ernst Oberndorf.
- (3) Additionally, 5,000 shares of the issuer's common stock are owned directly by Betty Jane Weimer.
- (4)

### Remarks:

Form 2 of 2.

The persons listed in Note (1) above ( each a "Reporting Person" ) may be deemed to form a "group", as such term is defined in

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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