

ASHLAND INC.  
Form 4  
May 15, 2008

**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 \*  
Shannon Michael J

(Last) (First) (Middle)  
5200 BLAZER PARKWAY  
(Street)

DUBLIN, OH 43017

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
ASHLAND INC. [ASH]

3. Date of Earliest Transaction (Month/Day/Year)  
05/13/2008

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

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 Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|---|
|                                 |                                      |  | Code                           | V Amount (A) or (D) Price   |   |  |   |
| Common Stock                    | 05/13/2008                           |  | M                              | 1,959 A \$ 38.47  | 5,345   | D  |   |
| Common Stock                    | 05/13/2008                           |  | M                              | 13,218 A \$ 49.79   | 18,563  | D  |   |
| Common Stock                    | 05/13/2008                           |  | D <sup>(1)</sup>               | 13,633 D \$ 56.83   | 4,930   | D  |   |
| Common Stock                    |                                      |  |                                |   | 5,137 <sup>(2)</sup>  | I  | 401(K)  |
| Common Stock                    |                                      |  |                                |   | 1,617 <sup>(3)</sup>  | I  | LESOP   |

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

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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 Security (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Appreciation Right                   | \$ 38.47   | 05/13/2008                           |  | M <sup>(4)</sup>               | 1,959   | 09/16/2005 10/16/2014                                    | Common Stock  | 1,959                         |
| Stock Appreciation Right                   | \$ 49.79   | 05/13/2008                           |  | M <sup>(4)</sup>               | 13,218  | 09/15/2006 10/15/2015                                    | Common Stock  | 13,218                        |

## Reporting Owners

| Reporting Owner Name / Address                               | Relationships |           |                |       |
|--|---------------|-----------|----------------|-------|
|  | Director      | 10% Owner | Officer        | Other |
| Shannon Michael J<br>5200 BLAZER PARKWAY<br>DUBLIN, OH 43017 |               |           | Vice President |       |

## Signatures

David B. Mattingly,  
Attorney-in-Fact

05/15/2008

\*\*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).

The disposition of the 13,633 shares in total reflects the cost of exercising both the Stock Appreciation Rights at the exercise price and includes taxes withheld for the transactions. Of that amount, 1,529 shares reflects the cost of exercising the 1,959 Stock Appreciation Rights and 12,104 shares reflects the cost of exercising the 13,218 Stock Appreciation Rights.

(2) Based on Employee Savings Plan information as of 5-13-2008, the latest date for which such information is reasonably available.

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- (3) Shares accrued under Ashland's Leveraged Employee Stock Ownership Plan as of 5-13-2008.
- (4) Stock Appreciation Right granted pursuant to Ashland's Amended and Restated Stock Incentive Plan which vests in three annual installments: 50% after the 1st year, the next 25% the 2nd year and the remaining 25% the 3rd year.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.