

ASHLAND INC.
Form 4
May 11, 2007

FORM 4

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

OMB APPROVAL

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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)
05/09/2007

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 Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	05/09/2007		M		5,877	A	\$ 38.47
Common Stock	05/09/2007		D ⁽¹⁾		4,441	D	\$ 60.03
Common Stock	05/11/2007		S		1,436	D	\$ 59.73
Common Stock							5,028 ⁽²⁾
Common Stock							1,617 ⁽³⁾
						I	401(K)
						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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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

Table with 7 columns: 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). Row: Stock Appreciation Right, \$ 38.47, 05/09/2007, M(4), 5,877, 09/16/2005, 10/16/2014, Common Stock, 5,877.

Reporting Owners

Table with 2 columns: Reporting Owner Name / Address, Relationships. Row: Shannon Michael J, 5200 BLAZER PARKWAY, DUBLIN, OH 43017; Relationships: Director, 10% Owner, Officer, Other, Vice President.

Signatures

Table with 2 columns: Signature, Date. Row: David B. Mattingly, Attorney-in-Fact; Date: 05/11/2007.

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 disposition of the 4,441 shares reflects the cost of exercising the 5,877 Stock Appreciation Rights at the exercise price and includes taxes withheld for the transaction.
(3) Shares accrued under Ashland's Leveraged Employee Stock Ownership Plan as of 5-9-07.
(4) Stock Appreciation Right granted pursuant to Ashland's 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.
(2) Based on Employee Savings Plan information as of 5-9-07, the latest date for which such information is reasonably available.

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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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