

SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report: May 21, 1997

Date of earliest event reported: May 21, 1997

ASHLAND INC.

(Exact name of registrant as specified in its charter)

Kentucky

(State or other jurisdiction of incorporation)

1-2918

(Commission File Number)

61--0122250

(I.R.S. Employer
Identification No.)

1000 Ashland Drive, Russell, Kentucky
(Address of principal executive offices)

41169
(Zip Code)

P.O. Box 391, Ashland, Kentucky
(Mailing Address)

41114
(Zip Code)

Registrant's telephone number, including area code (606) 329-3333

Item 5. Other Events

On May 21, 1997, Ashland Inc. and the Norwegian energy company, Statoil, announced the signing of a definitive purchase and sale agreement for the outstanding stock of Blazer Energy Corp. (Blazer), a wholly owned subsidiary of Ashland Inc. Blazer is engaged in the exploration for and the development, production, acquisition and marketing of natural gas and oil. Statoil's acquisition of Blazer will be made through its U.S. energy management subsidiary, The Eastern Group, Inc.

The cash transaction, which includes substantially all of Ashland's domestic oil and gas properties, but excludes international operations, is valued at \$566 million and is subject to approval by Statoil's Supervisory Board and federal regulatory authorities. Closing of the transaction is anticipated by July 1, 1997.

The foregoing summary of the attached press releases are qualified in their entirety by the complete text of such documents, copies of which are attached hereto.

Item 7. Financial Statements and Exhibits

(c)Exhibits

99 (a) Press Release

99 (b) Press Release

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

ASHLAND INC.

(Registrant)

Date: May 21, 1997

/s/ James G. Stephenson

Name: James G. Stephenson
Title: Vice President - Law

Exhibit Index

Exhibit No.

- 99(a) Press Release of Ashland Inc.
dated May 21, 1997
- 99(b) Press Release of Ashland Inc. dated
May 21, 1997

FOR FURTHER INFORMATION:

Stan Lampe (Ashland)
(606) 329-4061 (U.S.)

Kai Nielsen (Statoil)
011 47 52 4972 (Norway)

Glenn Schickler (Eastern)
(703) 317-2336 (U.S.)

FOR IMMEDIATE RELEASE
May 21, 1997

The Eastern Group to purchase
Blazer Energy domestic E & P holdings

Ashland, Ky. -- Ashland Inc. (NYSE:ASH) and the Norwegian energy company, Statoil, announced today the signing of a definitive purchase and sale agreement for the outstanding stock of Blazer Energy Corp. (Blazer), a wholly owned subsidiary of Ashland Inc. Blazer is engaged in the exploration for and the development, production, acquisition and marketing of natural gas and oil. Statoil's acquisition of Blazer will be made through its U.S. energy management subsidiary, The Eastern Group, Inc. (Eastern).

The cash transaction, which includes substantially all of Ashland's domestic oil and gas properties, but excludes international operations, is valued at \$566 million and is subject to approval by Statoil's Supervisory Board and federal regulatory authorities. Closing of the transaction is anticipated by July 1, 1997.

Harald Norvik, president and chief executive of Statoil, said "the acquisition of Blazer reflects our strong commitment to the North American energy market. Blazer's Appalachian Basin properties will be retained by Eastern, while its Gulf of Mexico properties will be operated by Statoil Exploration (U.S.) Inc. (SEUS), another of Statoil's three U.S. operating companies. This acquisition will substantially enhance Eastern's ability to serve its end user customer base with strategically located reserves, while the Gulf properties will provide SEUS a valuable stepping stone to its ambitions in deeper waters off the Gulf Coast."

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David A. Dresner, president and chief executive of Alexandria, Va.-based Eastern, said, "the combination of Blazer with Eastern will create the Appalachian Basin's largest natural gas producer." Mr. Dresner and Egil Endresen, president of Houston-based SEUS, indicated they hope to retain a large number of Blazer's employees.

Statoil, one of the world's largest net sellers of crude oil and a substantial supplier of natural gas to continental Europe, is also engaged in the refining and marketing of petroleum products as well as the development of power generating facilities and other downstream businesses. Through its Stamford, Conn.-based subsidiary, Statoil North America Inc., Statoil supplies approximately 500,000 barrels per day of crude oil and refined products to North America.

Ashland Inc. is a large energy and chemical company engaged in petroleum refining and marketing; coal; and highway construction.

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FOR FURTHER INFORMATION:

Chuck Rice
(606) 329-3895

FOR IMMEDIATE RELEASE
May 21, 1997

Ashland chairman remarks on sale
of Blazer Energy Corp. domestic assets

Ashland, Ky. -- Ashland Inc. (NYSE:ASH) announced today the sale of Blazer Energy Corporation's domestic exploration and production assets to the Norwegian energy company Statoil through its U.S. energy management subsidiary, The Eastern Group, Inc.

"We are extremely pleased with this transaction," said Paul W. Chellgren, chairman and chief executive officer, Ashland Inc. "This cash sale has potential to build shareholder value in several ways including debt reduction and accelerated investment in our growth areas. We are also pleased that the Statoil affiliates have indicated that they hope to retain a large number of Blazer Energy employees.

"While we have not formulated specific plans for the proceeds from the sale, we intend to continue to follow our previously announced profitability improvement plan and redirect freed capital to growth businesses, including Ashland Chemical Company, the APAC highway construction group and Valvoline."

Ashland Inc. is a large energy and chemical company engaged in petroleum refining and marketing; coal; highway construction; and oil and gas exploration and production. Ashland Chemical is the largest distributor of chemicals and plastics in North America and a leading supplier of specialty chemicals worldwide. Ashland's major consumer brands include Valvoline -R- motor oils, Zerex -R- antifreeze and Pyroil -R- automotive chemicals. As one of the largest independent refiners in the nation, Ashland is also a leading regional gasoline marketer, with products marketed under the SuperAmerica -R- and Ashland-R- brand names.

Ashland's internet address is <http://www.ashland.com>

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