

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: July 2, 1997
Date of earliest event reported: July 1, 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 July 1, 1997, Ashland Inc. announced the completion of the sale of Blazer Energy Corp., its domestic exploration and production subsidiary, to Statoil, a Norwegian energy company. Statoil purchased the Blazer Energy stock through its U.S. energy management subsidiary, The Eastern Group, Inc. Terms of the transaction remained unchanged from terms earlier announced, with the holdings valued at \$566 million.

The foregoing summary of the attached press release is qualified in its entirety by the complete text of such document, a copy of which is attached hereto.

Item 7. Financial Statements and Exhibits

(c)Exhibit

99 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: July 1, 1997

/s/ J. Marvin Quin

Name: J. Marvin Quin
Title: Senior Vice President and
Chief Financial Officer

Exhibit Index

Exhibit No.

99 Press Release of Ashland Inc.
dated July 1, 1997

FOR FURTHER INFORMATION:

Stan Lampe (Ashland)
(606) 329-4061

FOR IMMEDIATE RELEASE
July 1, 1997

Sale of Blazer Energy domestic
E & P holdings finalized

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

Terms of the transaction remain unchanged, with the holdings valued at \$566 million.

"We are very pleased with this transaction," said Paul W. Chellgren, chairman and chief executive officer, Ashland Inc. "First, Statoil is a quality company. Secondly, this purchase has been closed with great speed. Finally, the sale is very straight-forward, as it is a cash for stock deal with our domestic exploration and production assets being sold to Statoil."

The potential stock sale was first announced on May 21, when Ashland Inc. and Statoil jointly signed a definitive purchase and sale agreement, subject to the approvals of Statoil's Supervisory Board and federal government regulatory authorities.

Ashland Inc. is a large energy and chemical company engaged in petroleum refining and marketing; coal, and highway construction. 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- Performance Products 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>