



March 31, 2010

Ashland Inc. announces completion of refinancing

COVINGTON, Ky. – Ashland Inc. (NYSE: ASH) today announced the completion of a new four-year, \$850 million senior secured credit facility (the “new credit facility”) and an amended three-year, \$350 million accounts receivable securitization (the “A/R facility”). The new credit facility replaces Ashland’s previous \$1.65 billion Term Loan A, Term Loan B and revolving credit agreement, while the A/R facility amends and restates Ashland’s existing \$200 million accounts receivable securitization arrangement.

The new credit facility consists of a \$300 million funded term loan and a \$550 million undrawn revolving credit facility and carries an initial interest rate of either LIBOR plus 275 basis points or base rate plus 175 basis points, at the company’s option. The revolving credit component of the new credit facility will provide ongoing working capital and will be used for other general corporate purposes, as well as support for the issuance of letters of credit. At closing, \$118 million of letters of credit issued under the previous credit agreement were transferred to the new credit facility. Ashland also received \$300 million from the A/R facility upon completion of the refinancing.

Ashland has applied the net proceeds from the refinancing to repay all amounts outstanding under its previous senior secured credit facilities and has terminated the associated credit agreement. The refinancing transaction is expected to reduce Ashland’s interest expense by approximately \$45 million to \$50 million annually, with cash interest payments reduced by approximately \$40 million annually, at current interest-rate levels. As a result of the refinancing and prepayments made during the quarter, Ashland will incur a significant noncash charge in the March 2010 quarter for the write-off of the majority of the remaining approximately \$85 million of capitalized fees associated with the previous credit facility.

Bank of America Securities LLC and The Bank of Nova Scotia acted as joint lead arrangers for the new credit facility. The Bank of Nova Scotia acted as lead agent on the A/R facility.

Ashland Inc. (NYSE: ASH) provides specialty chemical products, services and solutions for many of the world’s most essential industries. Serving customers in more than 100 countries, it operates through five commercial units: Ashland Aqualon Functional Ingredients, Ashland Hercules Water Technologies, Ashland Performance Materials, Ashland Consumer Markets (Valvoline) and Ashland Distribution. To learn more about Ashland, visit www.ashland.com.