

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: January 30, 1997
Date of earliest event reported: January 30, 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 January 30, 1997, the Board of Directors of Ashland Inc. announced that Ashland will proceed toward an initial public offering of less than 20 percent of Ashland Exploration, Inc., a wholly-owned subsidiary, subject to certain contingencies. This transaction would likely occur in the late spring or summer. The initial public offering would likely be followed by the tax-free spin off of Ashland's remaining ownership in Ashland Exploration to Ashland Inc. shareholders once an appropriate ruling is received from the Internal Revenue Service.

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) Exhibits

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: January 30, 1997

/s/ James G. Stephenson

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

Exhibit Index

Exhibit No.

Page No.

99 Press Release of Ashland Inc.
dated January 30, 1997

5

FOR FURTHER INFORMATION:

Stan Lampe
606-329-4061

FOR IMMEDIATE RELEASE
January 30, 1997

Ashland Inc. board approves initial public offering/spin-off for Ashland Exploration

Ashland, Ky. -- Ashland Inc. (NYSE: ASH) will proceed toward an initial public offering for Ashland Exploration Inc., a wholly-owned subsidiary, according to Paul W. Chellgren, chairman and chief executive officer.

The Ashland Inc. Board of Directors approved, subject to certain contingencies, the initial public offering of less than 20 percent of Ashland Exploration. This transaction would likely occur in the late spring or summer. The initial public offering would likely be followed by the tax-free spin-off of Ashland's remaining ownership in Ashland Exploration to Ashland Inc. shareholders once an appropriate ruling is received from the Internal Revenue Service.

"Ashland Exploration is well positioned to grow its core operations in the Appalachian Basin, the Gulf of Mexico and Nigeria. Total proved reserves at September 30, 1996, were 577 BCF of natural gas and 21.5 million barrels of crude oil," Chellgren said. "We hope to complete both transactions before the end of the 1997 calendar year, subject to governmental and regulatory approvals, tax rulings, market conditions and definitive agreements among various parties."

Ashland Exploration is a domestic and international producer of natural gas and crude oil. The division is currently engaged in the exploration for and production of crude oil and natural gas in the United States and in the exploration for and production of crude oil in Nigeria.

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