



April 2, 2015

Ashland to invest approximately \$89 million to expand specialty chemicals production in Hopewell, Virginia

Growing demand for Natrosol™ hydroxyethylcellulose and Klucel™ hydroxypropylcellulose drives capacity expansion

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WILMINGTON, Delaware - Ashland Specialty Ingredients, a commercial unit of Ashland Inc. (NYSE: ASH), today announced plans to invest approximately \$89 million over the next three years to expand specialty chemical production at its manufacturing facility in Hopewell, Virginia. Virginia Governor Terry McAuliffe joined Ashland leaders in making the announcement today during a reception and tour at the plant.

The majority of the investment will be aimed at expanding production of two key product lines. Ashland said it would increase production of Natrosol hydroxyethylcellulose (HEC), used as a thickener in latex paints, by 4,700 metric tons, or approximately 40 percent in Hopewell. The company also will expand capacity for Klucel hydroxypropylcellulose (HPC), a high-value technology used to enable time-release delivery in pharmaceutical tablet binders and coatings and other applications, by approximately 50 percent.

The plant expansion is expected to begin during the summer of 2015. An estimated 17 new jobs are expected to be added to the facility's current total of 237 positions as a result of the expansion.

"This significant investment demonstrates our continued commitment to meeting the growing needs of our customers," said Luis Fernandez-Moreno, senior vice president of Ashland and president, Ashland Specialty Ingredients. "We see good opportunities for growth in these core product lines and this expansion will ensure we are in a strong position to capitalize on those opportunities."

"This expansion, which was already included in the fiscal 2015 capital spending plan we outlined in late January, is consistent with our strategy of investing in higher-margin core businesses where we see improving demand," added Kevin Willis, Ashland senior vice president and chief financial officer.

"I am thrilled to announce this significant investment demonstrating Ashland's continued commitment to Virginia and to the City of Hopewell," said Virginia Governor Terry McAuliffe. "Ashland, one of the Fortune 500 companies that calls Virginia home, is a vital employer in the area, providing the kind of jobs that are critical as we work to create a diverse, new Virginia economy."

The Virginia Economic Development Partnership worked with the City of Hopewell and Virginia's Gateway Region to secure the project for the Commonwealth. Gov. McAuliffe approved a \$700,000 performance-based grant from the Virginia Investment Partnership program, an incentive available to existing companies. Ashland also will be eligible to receive state benefits from the Virginia Enterprise Zone Program, administered by the Virginia Department of Housing and Community Development. Additional funding and services to support the company's employee training activities will be provided through the Virginia Jobs Investment Program.

About Ashland Specialty Ingredients

Ashland Specialty Ingredients is the leading global producer of cellulose ethers and a global leader in vinyl pyrrolidones. It offers industry-leading products, technologies and resources for solving formulation and product-performance challenges. Using natural, synthetic and semisynthetic polymers derived from plant and seed extract, cellulose ethers and vinyl pyrrolidones, as well as acrylic and polyurethane-based adhesives, Specialty Ingredients offers comprehensive and innovative solutions for today's demanding consumer and industrial applications. Key customers include: pharmaceutical companies; makers of personal care products, food and beverages; manufacturers of paint, coatings and construction materials; packaging and converting; and oilfield service companies. Visit ashland.com to learn more.

About Ashland Inc.

Ashland Inc. (NYSE: ASH) is a global leader in providing specialty chemical solutions to customers in a wide range of consumer and industrial markets, including architectural coatings, automotive, construction, energy, food and beverage, personal care

and pharmaceutical. Through our three commercial units - Ashland Specialty Ingredients, Ashland Performance Materials and Valvoline - we use good chemistry to make great things happen for customers in more than 100 countries. Visit ashland.com to learn more.

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