

ASHLAND INC.
Form 4
December 17, 2008

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
HALE ROGER W

(Last) (First) (Middle)

218 MOCKINGBIRD GARDENS DRIVE

(Street)

LOUISVILLE, KY 40207

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
ASHLAND INC. [ASH]

3. Date of Earliest Transaction (Month/Day/Year)
12/15/2008

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | | (A) or (D) Price | | | |
| Common Stock | | | | | 1,000 | D | |
| Restricted Stock | | | | | 1,048 ⁽¹⁾ | D | |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g., puts, calls, warrants, options, convertible securities*)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Price of Derivative Security (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|
| Common Stock Units | \$ 0 ⁽²⁾ | 12/15/2008 | | J ⁽³⁾ | 70 | ⁽³⁾ / ⁽³⁾ | Common Stock 70 | \$ 10.1 |
| Restricted Stock Units | ⁽⁴⁾ | 12/15/2008 | | J ⁽⁵⁾ | 28 | ⁽⁵⁾ / ⁽⁵⁾ | Common Stock 28 | \$ 10.1 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| HALE ROGER W 218 MOCKINGBIRD GARDENS DRIVE LOUISVILLE, KY 40207 | | X | | |

Signatures

David B. Mattingly,
Attorney-in-Fact 12/17/2008

 **Signature of Reporting Person

 Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(4) Each Restricted Stock Unit represents a right to receive one (1) share of Ashland Common Stock.

(3) Common Stock Units acquired pursuant to Ashland's Deferred Compensation Plan for Non-Employee Directors as of 12-15-08 and exempt under Rule 16b-3. (One (1) Common Stock Unit in the Deferred Compensation Plan for Non-Employee Directors is the equivalent of one (1) share of Ashland Common Stock.)

(2) 1-for-1

(1) Represents shares of Restricted Common Stock acquired pursuant to Ashland's stock incentive plans as approved by the shareholders and exempt pursuant to Rule 16b-3. 48 of these shares are held in Ashland's Open Enrollment Dividend Reinvestment and Stock Purchase Plan as of 12-15-08.

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Restricted Stock Units acquired pursuant to Ashland's Deferred Compensation Plan for Non-Employee Directors as of 12-15-08 and (5) exempt from Rule 16b-3. (One (1) Restricted Stock Unit in the Deferred Compensation Plan for Non-Employee Directors is the equivalent of one (1) share of Ashland Common Stock.)

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.