

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 28, 1997

Date of earliest event reported: January 27, 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 27, 1997, the Boards of Directors of Ashland Coal, Inc. and Arch Mineral Corporation jointly announced that they had approved an agreement in principal calling for a combination of the two companies. According to the announcement, the exchange ratio to be used for the transaction would result in former Ashland Coal and Arch Mineral shareholders holding 48 percent and 52 percent of the combined company, respectively. Further terms and conditions of the transaction are being negotiated. The announcement also states that the consummation of the transaction is conditioned upon the negotiation and execution of definitive agreements between the parties, all necessary governmental and regulatory consents and approval by the shareholders of both corporations.

The foregoing summary of the attached press releases is qualified in its entirety by the complete text of both documents, a copy of which are 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.

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(Registrant)

Date: January 28, 1997

/s/ James G. Stephenson

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

Exhibit Index

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| 99          | Press Release of Ashland Coal, Inc.<br>dated January 27, 1997       | 5        |
| 99          | Press Release of Arch Mineral<br>Corporation dated January 27, 1997 | 6        |

News from  
Ashland Coal, Inc.

Ashland Coal, Inc

P.O. Box 6300  
Huntington, WV 25771-6300  
(304) 526-3333  
(304) 526-3678 Fax

David G. Todd  
Vice President  
(304) 526-3755  
For Immediate Release  
January 27, 1997

ASHLAND COAL AND ARCH MINERAL AGREE IN PRINCIPLE TO COMBINE

Huntington, WV - The Boards of Directors of Ashland Coal, Inc. and Arch Mineral Corporation today jointly announced that they had approved an agreement in principle calling for the combination of the two companies. The exchange ratio to be used for the transaction would result in former Ashland Coal and Arch Mineral shareholders holding 48 percent and 52 percent of the combined company, respectively. Further terms and conditions of the transaction are continuing to be negotiated and further details cannot be made public at this time. Consummation of the transaction is strictly conditioned upon the negotiation and execution of definitive agreements between the parties, all necessary governmental and regulatory consents and approval by the shareholders of both corporations.

Arch Mineral Corporation  
City Place One o St. Louis, Missouri 63141 o (314)994-2725 o Fax: (314) 994-2734

FOR IMMEDIATE RELEASE  
Date: January 27, 1997  
Contact: Blair M. Gardner  
Vice President - External Affairs  
(314) 994-2725, Fax: (314) 994-2734

ASHLAND COAL, INC. AND ARCH MINERAL TO COMBINE

St. Louis, Missouri - The Boards of Directors of Ashland Coal, Inc. and Arch Mineral Corporation today jointly announced that they had approved an agreement in principle calling for the combination of the two companies. The exchange ratio to be used for the transaction would result in former Ashland Coal and Arch Mineral shareholders holding 48 percent and 52 percent of the combined company, respectively. Further terms and conditions of the transaction are continuing to be negotiated and further details cannot be made public at this time. Consummation of the transaction is strictly conditioned upon the negotiation and execution of definitive agreements between the parties, all necessary governmental and regulatory consents and approval by the shareholders of both corporations.