

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

May 16, 1996

(Date of earliest event reported)

ASHLAND INC.

(Exact name of registrant as specified in its charter)

Kentucky	1-2918	61-0122250
-----	-----	-----
(State or other jurisdiction or organization)	(Commission File Number)	(I.R.S. Employer Identification Number)

1000 Ashland Drive
Russell, Kentucky

41169

(Address of principal executive offices)

(Zip Code)

(606) 329-3333

(Registrant's telephone number, including area code)

Item 5. Other Events

On May 16, 1996, the Board of Directors of Ashland Inc. (the "Company") approved a shareholder rights plan (the "Rights Plan") which is to take effect at the close of business on May 16, 1996, and is intended to replace the Company's shareholder rights plan (the "1986 Plan") which expired at the close of business on May 15, 1996. The 1986 Plan had been in effect since May 15, 1986.

The following description of the Rights Plan is qualified in its entirety by reference to the Rights Agreement dated as of May 16, 1996, filed as Exhibit 4(a) hereto.

The Rights Plan will be implemented by the issuance of one nonvoting Preferred Stock Purchase Right (a "Right") for each share of Common Stock, par value \$1.00 per share (the "Common Stock"), of the Company outstanding at the close of business on May 16, 1996, or issued thereafter until the Rights become exercisable. Each Right will entitle the holder in certain events to purchase one-thousandth (1/1000) of a share of Series A Participating Preferred Stock, without par value (the "Preferred Stock"), of the Company, at an initial exercise price of \$140. Each thousandth of a share of Preferred Stock is entitled to vote and to participate in dividends and other distributions on an equivalent basis with one whole share of Common Stock.

Initially, the Rights will be attached to the Common Stock and will not be exercisable. The Rights will become exercisable and separately transferable if any person or group becomes an "Acquiring Person" by

acquiring more than 15% of the outstanding Common Stock, or if a tender offer for more than 15% of the outstanding Common Stock is announced or commenced. If any person becomes an Acquiring Person, the Rights will entitle all holders, other than the Acquiring Person, to purchase the Preferred Stock at a substantial discount to its market value. In addition, if a merger occurs with an Acquiring Person, holders of Rights (other than the Acquiring Person) will be able to purchase shares of the Acquiring Person at a substantial discount.

The Rights are redeemable by the Board of Directors of the Company at a redemption price of \$.01 per Right any time prior to the earlier of (a) such time as there shall be an Acquiring Person and (b) the expiration date of the Rights. The Rights will expire on the tenth

anniversary of the effective date of the Rights Agreement, unless earlier redeemed.

Item 7. Financial Statements and Exhibits

c. Exhibits

4(a) Rights Agreement dated as of May 16, 1996, between Ashland Inc. and Harris Trust and Savings Bank, as Rights Agent (incorporated by reference to Exhibit 4(a) of the Company's Form 8-A filed with the Securities and Exchange Commission on the date hereof)

4(b) Articles of Amendment to the Second Restated Articles of Incorporation of Ashland Inc. creating the Series A Participating Cumulative Preferred Stock (incorporated by reference to Exhibit 4(b) of the Company's Form 8-A filed with the Securities and Exchange Commission on the date hereof)

4(c) Form of Right Certificate
(incorporated by reference to Exhibit 4(c) of the Company's Form 8-A filed with the Securities and Exchange Commission on the date hereof)

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 hereunto duly authorized.

Ashland Inc.

by /s/ Thomas L. Feazell

Thomas L. Feazell
Senior Vice President,
General Counsel and
Secretary

Date: May 16, 1996

EXHIBIT INDEX

EXHIBIT NUMBER	TITLE
4(a)	Rights Agreement dated as of May 16, 1996, between Ashland Inc. and Harris Trust and Savings Bank, as Rights Agent (incorporated by reference to Exhibit 4(a) of the Company's Form 8-A filed with the Securities and Exchange Commission the date hereof)

- 4 (b) Articles of Amendment to the Second Restated
 Articles of Incorporation of Ashland
 Inc. creating the Series A Participating
 Cumulative Preferred Stock (incorporated
 by reference to Exhibit 4(b) of the
 Company's Form 8-A filed with the
 Securities and Exchange Commission
 the date hereof)
- 4 (c) Form of Right Certificate
 (incorporated by reference to Exhibit
 4(c) of the Company's Form 8-A filed
 with the Securities and Exchange
 Commission the date hereof)