

MITCHELL SAMUEL J
 Form 4
 September 19, 2012

FORM 4

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

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

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 *
 MITCHELL SAMUEL J

(Last) (First) (Middle)
 3499 BLAZER PARKWAY
 (Street)

LEXINGTON, KY 40509

(City) (State) (Zip)

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

3. Date of Earliest Transaction
 (Month/Day/Year)
 09/17/2012

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)
 Senior Vice President

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) | | | |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|----------------------|---|--------|
| | | | Code | V | Amount | (A) or (D) | Price | | | |
| Common Stock | 09/17/2012 | | M ⁽¹⁾ | | 21,375 | A | \$ 0 | 27,796 | D | |
| Common Stock | 09/17/2012 | | M ⁽¹⁾ | | 5,000 | A | \$ 0 | 32,796 | D | |
| Common Stock | 09/17/2012 | | F ⁽²⁾ | | 14,712 | D | \$ 76.1 | 18,084 | D | |
| Common Stock | 09/17/2012 | | F ⁽³⁾ | | 2,217 | D | \$ 76.1 | 15,867 | D | |
| Common Stock | | | | | | | | 1,826 ⁽⁴⁾ | I | 401(k) |

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

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(9-02)

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 Security (Instr. 3 and 4) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|
| Stock Appreciation Right | \$ 38.47 | 09/17/2012 | | M ⁽¹⁾⁽⁵⁾ | 21,375 | 09/16/2005 10/16/2014 | Common Stock |
| Stock Appreciation Right | \$ 10.72 | 09/17/2012 | | M ⁽¹⁾⁽⁶⁾ | 5,000 | 11/20/2009 12/20/2018 | Common Stock |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|-----------------------|-------|
| | Director | 10% Owner | Officer | Other |
| MITCHELL SAMUEL J 3499 BLAZER PARKWAY LEXINGTON, KY 40509 | | | Senior Vice President | |

Signatures

/s/ David A. Rines,
Attorney-in-Fact 09/19/2012

**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).
- (1) The transaction was effected pursuant to a Rule 10b5-1 trading plan adopted by the reporting person on August 15, 2012.
- (2) Payment of exercise price and tax liability by withholding securities incident to the exercise of Stock Appreciation Rights referenced in footnote 5.
- (3)

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Payment of exercise price and tax liability by withholding securities incident to the exercise of Stock Appreciation Rights referenced in footnote 6.

- (4) Based on Employee Savings Plan information as of 9-14-12, the latest date for which such information is reasonably available.
- (5) Stock Appreciation Right granted pursuant to Ashland's Amended and Restated Stock Incentive Plan which vests in three annual installments: 50% after the 1st year, the next 25% the 2nd year and the remaining 25% the 3rd year.
- (6) Stock Appreciation Right granted pursuant to the 2006 Ashland Inc. Incentive Plan which vests in three annual installments: 50% after the 1st year, the next 25% the 2nd year and the remaining 25% the 3rd year.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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