ASHLAND INC. Form 4 October 02, 2007

FORM 4

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

OMB

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OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF

response...

if no longer subject to Section 16. Form 4 or Form 5 obligations may continue.

Check this box

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

SECURITIES

(Print or Type Responses)

1(b).

(Last)

(Instr. 3)

See Instruction

1. Name and Address of Reporting Person * OBRIEN JAMES J/KY

(First)

(Street)

2. Issuer Name and Ticker or Trading Symbol

5. Relationship of Reporting Person(s) to

Issuer

below)

ASHLAND INC. [ASH] (Middle)

09/28/2007

(Check all applicable)

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

Director _X__ Officer (give title

10% Owner Other (specify

50 E. RIVERCENTER

Chief Executive Officer

BOULEVARD

4. If Amendment, Date Original

6. Individual or Joint/Group Filing(Check Applicable Line)

Filed(Month/Day/Year)

X 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

COVINGTON, KY 41012-0391

(City) (State) (Zip) 1. Title of 2. Transaction Date 2A. Deemed Security (Month/Day/Year) Execution Date, if

3. 4. Securities TransactionAcquired (A) or Code Disposed of (D) (Instr. 3, 4 and 5) (Instr. 8)

5. Amount of Securities Beneficially Owned (I) Following

6. Ownership 7. Nature of Form: Direct Indirect (D) or Indirect Beneficial Ownership (Instr. 4) (Instr. 4)

(A)

Reported Transaction(s)

(Instr. 3 and 4) Code V Amount (D) Price

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

(Month/Day/Year)

Persons who respond to the collection of SEC 1474 information contained in this form are not (9-02)required to respond unless the form displays a currently valid OMB control number.

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

1. Title of	2.	3. Transaction Date	3A. Deemed	4.	5. Number	6. Date Exercisable and	7. Title and Amount of	8. Prio
Derivative	Conversion	(Month/Day/Year)	Execution Date, if	Transactio	onof Derivative	Expiration Date	Underlying Securities	Deriv
Security	or Exercise		any	Code	Securities	(Month/Day/Year)	(Instr. 3 and 4)	Secur

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(Instr. 3)	Price of Derivative Security	ntive		8)	Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)						(Instr.	
				V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		
Common Stock Units	\$ 0	09/28/2007		J <u>(1)</u>			1,940	<u>(1)</u>	<u>(1)</u>	Common Stock	1,940	\$ 60

Reporting Owners

Reporting Owner Name / Address Relationships

Director 10% Owner Officer Other

OBRIEN JAMES J/KY 50 E. RIVERCENTER BOULEVARD COVINGTON, KY 41012-0391

Chief Executive Officer

Signatures

David B. Mattingly, Attorney-in-Fact

10/02/2007

**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).

Payment of tax liability by withholding incident to the receipt of the vesting of Common Stock Units acquired pursuant to Ashland's

(1) Stock Incentive Plan as of 9/28/07, and exempt under Rule 16b-3(e). (One (1) Common Stock Unit in the Deferred Compensation Plan 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.

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