

ASHLAND INC.  
Form 4  
May 27, 2008

**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 \*  
**HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P.**

(Last) (First) (Middle)

**555 MADISON AVENUE, 16TH FLOOR**

(Street)

**NEW YORK, NY 10022**

(City) (State) (Zip)

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

3. Date of Earliest Transaction (Month/Day/Year)  
**05/22/2008**

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

\* See Remarks

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

\_\_\_ Form filed by One Reporting Person  
\_\_\_X\_\_\_ 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 Indirect Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| Common Stock                    |                                      |  |                                | (A) or (D)  | Price   |  | Footnote (1) (2) (3) (4)                   |
| Common Stock                    | 05/22/2008                           |  | P                              | 25,000  | A \$ 54.86  | 1,298,574  | D (1) (5) (6) (7)                          |
| Common Stock                    | 05/22/2008                           |  | P                              | 232,701   | A \$ 54.74  | 1,531,275  | D (1) (5) (6) (7)                          |
| Common Stock                    | 05/23/2008                           |  | P                              | 162,000   | A \$ 53.98  | 1,693,275  | D (1) (5) (6) (7)                          |

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) | 9. Number of Derivative Securities Beneficially Owned (Instr. 5) |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|--|--|
|  |  |                                      |  | Code                           | V (A) (D)   | Date Exercisable   | Expiration Date   | Title                                      | Amount or Number of Shares                                       |

## Reporting Owners

| Reporting Owner Name / Address   | Relationships |           |         |               |
|--|---------------|-----------|---------|---------------|
|  | Director      | 10% Owner | Officer | Other         |
| HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P.<br>555 MADISON AVENUE<br>16TH FLOOR<br>NEW YORK, NY 10022 |               | X         |         | * See Remarks |
| HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS GP, LLC<br>555 MADISON AVENUE<br>16TH FLOOR<br>NEW YORK, NY 10022    |               | X         |         | * See Remarks |
| HMC - NEW YORK, INC.<br>555 MADISON AVENUE<br>16TH FLOOR<br>NEW YORK, NY 10022                                     |               | X         |         | * See Remarks |
| HARBERT MANAGEMENT CORP<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203                            |               | X         |         | * See Remarks |
|  |               | X         |         |               |

|   |   |                  |
|---|---|------------------|
| FALCONE PHILIP<br>555 MADISON AVE<br>16TH FLOOR<br>NEW YORK, NY 10022             |   | * See<br>Remarks |
| HARBERT RAYMOND J<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203 | X | * See<br>Remarks |
| LUCE MICHAEL D<br>2100 THIRD AVENUE NORTH<br>SUITE 600<br>BIRMINGHAM, AL 35203    | X | * See<br>Remarks |

## Signatures

|   |                                 |            |
|---|---------------------------------|------------|
| Harbinger Capital Partners Special Situations Fund, L.P., By: Harbinger Capital Partners<br>Special Situations GP, LLC, By: HMC-New York, Inc., Managing Member, By: /s/ William<br>R. Lucas, Jr. |                                 | 05/27/2008 |
|   | **Signature of Reporting Person | Date       |
| Harbinger Capital Partners Special Situations GP, LLC, By: HMC-New York, Inc.,<br>Managing Member, By: /s/ William R. Lucas, Jr.  |                                 | 05/27/2008 |
|   | **Signature of Reporting Person | Date       |
| HMC-New York, Inc., By: /s/ William R. Lucas, Jr.   |                                 | 05/27/2008 |
|   | **Signature of Reporting Person | Date       |
| Harbert Management Corporation, By: /s/ William R. Lucas, Jr.   |                                 | 05/27/2008 |
|   | **Signature of Reporting Person | Date       |
| /s/ Philip Falcone  |                                 | 05/27/2008 |
|   | **Signature of Reporting Person | Date       |
| /s/ Raymond J. Harbert  |                                 | 05/27/2008 |
|   | **Signature of Reporting Person | Date       |
| /s/ Michael D. Luce   |                                 | 05/27/2008 |
|   | **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).
- (1) IMPORTANT NOTE: THE SECURITIES SET FORTH IN THIS REPORT ARE DIRECTLY BENEFICIALLY OWNED BY HARBINGER CAPITAL PARTNERS MASTER FUND I, LTD. AND/OR HARBINGER CAPITAL PARTNERS SPECIAL SITUATIONS FUND, L.P. (COLLECTIVELY, THE "FUNDS"). ALL OTHER ENTITIES AND PERSONS ARE INCLUDED WITHIN THIS REPORT DUE TO THEIR AFFILIATION WITH ONE OR BOTH OF THE FUNDS.
- (2) These securities are owned by Harbinger Capital Partners Master Fund I, Ltd. (the "Master Fund").

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- These securities may be deemed to be indirectly beneficially owned by the following entities or persons: Harbinger Capital Partners Offshore Manager, L.L.C. ("Harbinger Management"), the investment manager of the Master Fund, HMC Investors, L.L.C., its managing member ("HMC Investors"), Philip Falcone, a member of HMC Investors and the portfolio manager of the Master Fund, Raymond J. Harbert, a member of HMC Investors, and Michael D. Luce, a member of HMC Investors.
- (3)

- Each entity or person listed in Footnotes 2 and 3 disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such entity or person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.
- (4)

- These securities are owned by Harbinger Capital Partners Special Situations Fund, L.P. (the "Special Situations Fund"), which is a Reporting Person.
- (5)

- These securities may be deemed to be indirectly beneficially owned by the following, each of whom is a Reporting Person: Harbinger Capital Partners Special Situations GP, LLC ("HCPSS"), HMC-New York, Inc. ("HMCNY"), Harbert Management Corporation ("HMC"), Philip Falcone, Raymond J. Harbert and Michael Luce. HCPSS is the general partner of the Special Situations Fund. HMCNY is the managing member of HCPSS. HMC wholly owns HMCNY. Philip Falcone is the portfolio manager of the Special Situations Fund and is a shareholder of HMC. Raymond J. Harbert and Michael D. Luce are shareholders of HMC.
- (6)

- Each Reporting Person listed in Footnotes 5 and 6 disclaims beneficial ownership of the reported securities except to the extent of his or its pecuniary interest therein, and this report shall not be deemed an admission that such Reporting Person is the beneficial owner of the securities for purposes of Section 16 of the Securities Exchange Act of 1934, as amended, or for any other purpose.
- (7)

### Remarks:

- (+) The Reporting Persons may be deemed to be members of a "group" for purposes of the Securities Exchange Act of 1934, as amended. Each Reporting Person disclaims beneficial ownership of any securities deemed to be owned by the group that are not directly owned by the Reporting Person. This report shall not be deemed an admission that such Reporting Person is a member of a group or the beneficial owner of any securities not directly owned by such Reporting Person.

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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