

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

SCHEDULE 13D
(Rule 13d-101)

Under the Securities Exchange Act of 1934

(Amendment No. 1)

Melamine Chemicals, Inc.
(Name of issuer)

Common Stock
(Title of class of securities)

585332 10 9
(CUSIP number)

Thomas L. Feazell
1000 Ashland Drive
Russell, KY 41169
(606) 329-3403
(Name, address and telephone number of person
authorized to receive notices and communications)

August 14, 1997
(Date of event which requires filing of this statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition which is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(b)(3) or (4), check the following box. X

CUSIP No. 585332 10 9 13D

1 NAME OF REPORTING PERSONS Ashland Inc.
S.S. OR I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS
61-0122250

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a)
Not Applicable (b)

3 SEC USE ONLY

4 SOURCE OF FUNDS
WC

5 CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEM 2(d) or 2(e)
Not Applicable

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Kentucky

NUMBER OF	7	SOLE VOTING POWER
SHARES		1,275,000 shares
BENEFICIALLY	8	SHARED VOTING POWER
OWNED BY		0
EACH	9	SOLE DISPOSITIVE POWER
REPORTING		1,275,000 shares
PERSON WITH	10	SHARED DISPOSITIVE POWER
		0

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
1,275,000 shares

12 CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES
Not Applicable

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
23.4%

14 TYPE OF REPORTING PERSON
CO

Securities and Exchange Commission
Washington, D.C. 20549
Schedule 13D

Ashland Inc. ("Ashland") hereby amends and supplements its Schedule 13D (the "Schedule 13D") originally filed with the Securities and Exchange Commission on June 30, 1997, relating to Ashland's ownership of Common Stock, par value \$.01 per share, of Melamine Chemicals, Inc. ("MCI"), as set forth in this Amendment No 1. Capitalized terms not defined herein have the meanings assigned thereto in the Schedule 13D.

Item 4. Purpose of Transaction:

Item 4 of the Schedule 13D is hereby amended to read in its entirety as follows:

"On June 27, 1997, Paul W. Chellgren, Chairman of the Board and Chief Executive Officer of Ashland, sent a letter to James W. Crook, Chairman of the Board of MCI, which included an offer to purchase all the issued and outstanding shares of Stock that Ashland does not already own at a price of \$12.50 per share in cash at closing in a friendly, negotiated transaction. The offer was subject to a due diligence review, Ashland Board approval, negotiation of a definitive agreement and assurances of an acceptable long-term raw material supply arrangement. Mr. Chellgren's letter requested a reply from MCI no later than the close of business on July 17, 1997. A copy of Mr. Chellgren's June 27, 1997, letter is attached as an exhibit to Ashland's Schedule 13D filed on June 30, 1997.

On July 16, 1997, Mr. Crook telephoned Mr. Chellgren to inform him that MCI had engaged Goldman, Sachs & Co. as its financial advisor and that MCI did not expect to be able to meet Ashland's July 17th deadline.

On August 14, 1997, Mr. Chellgren sent a letter to Mr. Crook which stated that Ashland continues to have an interest in purchasing all the issued and outstanding shares of Stock that Ashland does not already own. The August 14, 1997, letter also included an offer to purchase all the issued and outstanding shares of Stock that Ashland does not already own at a price of \$14.75 per share to be paid in cash to all shareholders at closing. The offer is not contingent upon financing. The offer is subject to a due diligence review and to the signing of a definitive agreement containing customary terms and conditions (which would include, among others, that no material adverse change will have occurred with respect to the business, financial condition, capital structure or prospects of

MCI). The August 14, 1997 letter also stated that, while it continues to be Ashland's very strong preference to work with MCI toward a negotiated transaction, in the event MCI does not wish to proceed jointly at this time, Ashland will consider alternative approaches. Mr. Chellgren requested a definitive response to Ashland's increased offer no later than the close of business on August 25, 1997. A copy of the August 14, 1997, letter is attached as an exhibit hereto."

Item 7. Material to be Filed as Exhibits:

Item 7 of the Schedule 13D is hereby amended to add the following exhibit:

- (1) The Acquisition of Issuer Control, Liquidation, Sale of Assets, Merger, or Change in Business or Corporate Structure:

Exhibit 99.1 - Letter dated August 14, 1997 from Paul W. Chellgren to James W. Crook

SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

August 14, 1997

/s/ Thomas L. Fezell

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

EXHIBIT INDEX

Exhibit
No.

Description

99.1 Letter dated August 14, 1997 from Paul W.Chellgren to
James W. Crook

August 14, 1997

Mr. James W. Crook
Chairman of the Board
Melamine Chemicals, Inc.
P.O. Box 748
River Road, Highway 18
Donaldsonville, LA 70346

Dear Jimmy,

This follows my June 27, 1997 letter in which Ashland Inc. expressed an interest in purchasing all of the issued and outstanding shares of Melamine Chemicals, Inc. not owned by Ashland. We continue to have such an interest. More than six weeks have passed and we have not yet received a formal response to our expression of interest, although you and I did have a telephone conversation.

We are pleased that you have retained Goldman Sachs. We have received a draft Secrecy Agreement from Goldman on behalf of Melamine. However, we are unwilling to sign this agreement in its current form because of the provisions in the "standstill" paragraph. We believe that it is not in the best interests of the shareholders of Melamine for potential buyers to be encumbered by such restrictions.

Having said this, it continues to be our desire to engage in a friendly negotiated transaction and, subject to a due diligence review and the signing of a definitive agreement containing customary terms and conditions (which would include, among other things, that no material adverse change will have occurred with respect to the business, financial condition, capital structure or prospects of Melamine), Ashland is hereby increasing its conditional offer to a price of \$14.75 per share to be paid in cash to all shareholders at closing. This offer is not contingent upon financing. We are prepared to act quickly to bring a transaction to closing. While it continues to be our very strong preference to work with you toward a negotiated transaction, in the event you do not wish to proceed jointly at this time, Ashland will consider alternative approaches.

I am asking for a definitive response to this offer from you no later than close of business on August 25, 1997. I look forward to your response.

Sincerely yours,

/s/ Paul W. Chellgren

Paul W. Chellgren
Chairman of the Board
and Chief Executive Officer