SXCP Investor Day 2014

Agenda

2:00 pm	**Strategies for Value Creation** *Fritz Henderson, Chairman & Chief Executive Officer*
2:20 pm	**Operations Excellence: Maximizing Asset Productivity** *Mike Thomson, President & Chief Operating Officer*
2:50 pm	**Framing the Growth Opportunity** *Jonathan Lock, Vice President, Strategy*
3:10 pm	**Break**
3:20 pm	**Restructuring and Capital Allocation** *Mark Newman, Senior Vice President & Chief Financial Officer*
3:50 pm	**Concluding Remarks** *Fritz Henderson, Chairman & Chief Executive Officer*
4:00 pm	**Q&A**
5:00 pm	**Cocktail Reception**

Forward-Looking Statements

Some of the information included in this presentation constitutes "forward-looking statements" as defined in Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. All statements in this presentation that express opinions, expectations, beliefs, plans, objectives, assumptions or projections with respect to anticipated future performance of SunCoke or the Partnership, in contrast with statements of historical facts, are forward-looking statements. Such forward-looking statements are based on management's beliefs and assumptions and on information currently available. Forward-looking statements include information concerning possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, the effects of competition and the effects of future legislation or regulations. Forward-looking statements include all statements that are not historical facts and may be identified by the use of forward-looking terminology such as the words "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "continue," "may," "will," "should" or the negative of these terms or similar expressions.

Although management believes that its plans, intentions and expectations reflected in or suggested by the forward-looking statements made in this presentation are reasonable, no assurance can be given that these plans, intentions or expectations will be achieved when anticipated or at all. Moreover, such statements are subject to a number of assumptions, risks and uncertainties. Many of these risks are beyond the control of SunCoke and the Partnership, and may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Each of SunCoke and the Partnership has included in its filings with the Securities and Exchange Commission cautionary language identifying important factors (but not necessarily all the important factors) that could cause actual results to differ materially from those expressed in any forward-looking statement. For more information concerning these factors, see the Securities and Exchange Commission filings of SunCoke and the Partnership. All forward-looking statements included in this presentation are expressly qualified in their entirety by such cautionary statements. Although forward-looking statements are based on current beliefs and expectations, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date hereof. SunCoke and the Partnership do not have any intention or obligation to update publicly any forward-looking statement (or its associated cautionary language) whether as a result of new information or future events or after the date of this presentation, except as required by applicable law.

This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided in the Appendix at the end of the presentation. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided in the Appendix.

SXCP Investor Day 2014

Fritz Henderson

Chairman and

Chief Executive Officer

SunCoke Energy™

SXCP™ SXCPartners

The SunCoke Journey

2011: Laid The Foundation
- IPO of ~18% of SXC
- Established standalone structure
- Proved cokemaking expertise

2012: Operating Focus
- Executed successful Middletown startup
- Invested in coal to drive productivity
- Built financial strength and flexibility
- Completed final distribution of SXC

2013: Creating the Future
- Launched SXCP
- Completed two coal logistics acquisitions
- Formed India JV
- Renewed Indiana Harbor contract; substantially refurbished facility

2014+: Transformation
- Restructuring limitations lifted
- First coke asset dropdown planned
- Planned completion of Indiana Harbor refurbishment and 2H 2014 ramp-up
- Strategic evaluation of coal business
- Pursue growth opportunities in coke, coal logistics and ferrous

Enterprise Value

SXC **$1.7 billion** **at IPO**	**SXC** **$1.6 billion** **at 12/31/2012**	**SXC & SXCP** **$2.4 billion** **at 12/31/2013**	**SXC & SXCP** **$2.5 billion** **at 3/6/2014**

Today's News - SXC

- **SXC Board supports management plan to drop down Domestic Coke business into SXCP**
  – Expect timing of dropdowns balanced with organic and M&A growth opportunities

- **SXC Board approved initial dropdown**
  – 33% interest in Haverhill and Middletown
  – Offer made to SXCP Conflicts Committee
  – Anticipate de-leveraging with initial drop

- **Believe dropdown plan will create significant value for SXC shareholders and SXCP unitholders**

Haverhill

Today’s News - SXC

- **Estimate severe weather and Indiana Harbor challenges to lower Q1 Adjusted EBITDA by ~$10-$15 million**
  - Q1 production down ~60 thousand tons, about half of shortfall at Indiana Harbor
  - Indiana Harbor incurred higher O&M on additional refurbishment scope
- **Expect to recover portion of Q1 production shortfall over balance of year**
  - Customer demand solid
  - Excluding Indiana Harbor, expect domestic coke to perform above contract max
- **Reaffirm FY 2014 Adjusted EBITDA guidance of $230 million to $255 million**
  - Expect to be in lower half of range

Indiana Harbor

Coal Business Strategic Evaluation

Developing strategic exit plan

- Retained advisors to assist with restructuring plan
  - Have significant structuring flexibility and will evaluate all options
  - Preferred option is potential sale but will consider other alternatives including joint ventures, partnerships or further downsizing
- New prep plant part of evaluation
  - Generates MLP qualifying income
  - Willing to invest to optimize potential exit transaction
- Key transaction objectives include
  - Ensure reliable, cost-effective supply of coal to Jewell Coke
  - Enable standalone Jewell Coke operation
  - Create value for SXC shareholders

SXC Priorities

Given domestic coke dropdown plan and coal business restructuring, evaluating strategic alternatives for SXC

- Focus on maximizing value of SXC by
  - Increasing value of SXC's ownership of SXCP & GP interest
  - Maximizing cash flow from remaining SXC level assets
  - Deploying capital in projects delivering attractive risk-adjusted returns
- Expect SXC to become a flexible recycler of capital
  - Focus on investing to drive productivity in existing assets and incubate projects for SXCP
- Plan to review capital allocation priorities with Board after first drop

Today's News - SXCP

- **Intend to raise per unit cash distribution 5.3% to $0.50 for Q1 2014 payment**
  – Expect to be above 1.15x annual cash coverage ratio on existing operations
- **Initial drop expected to add ~$38 million annually to distributable cash flow (pre-financing)** (1)
  – Supports additional future increases to per unit cash distribution rate
- **Assessing optimal dropdown funding structures**
  – Expect first dropdown financed by combination of SXCP equity and debt

Middletown

(1) Distributable Cash Flow (pre-financing) equal to EBITDA less ongoing capex and replacement capex accrual. Does not include interest expense related to potential debt financing.

SXCP Distribution Outlook

Expect dropdowns will support 8%-10% annual distribution growth

Distributable Cash Flow Growth Drivers

Dropdowns from SXC

- ~$175 million of EBITDA

Greenfield Projects at SXC

- Right to purchase new U.S. coke plant when complete
- Potential for DRI with private letter ruling request

M&A

- Near-term priority building coal logistics business
- Pursue coke and ferrous opportunities over time

Distribution Growth Implications

- Expect dropdowns alone can support 8%-10% annual distribution growth through 2016
- Greenfield opportunities plus acquisitions can provide additional upside and/or extend growth runway
- Strong balance sheet provides flexibility to finance growth and support distribution growth as target leverage achieved
- Pace of dropdowns flexible based on M&A success

Pathway to Value Creation

Deliver Operations Excellence

- Foundation of long-term success

\+

Leverage Technology to Drive Results

- Maximize asset productivity

\+

Pursue Growth Pillars

- Expand presence in steel value chain and diversify customer base
- Prioritize SXCP growth

\+

Restructure & Allocate Capital

- Execute dropdown domestic coke asset plan
- Exit coal business
- Restructure and allocate capital between growth and shareholders to optimize value

SXC Shareholder/ SXCP Unitholder Value

Mike Thomson

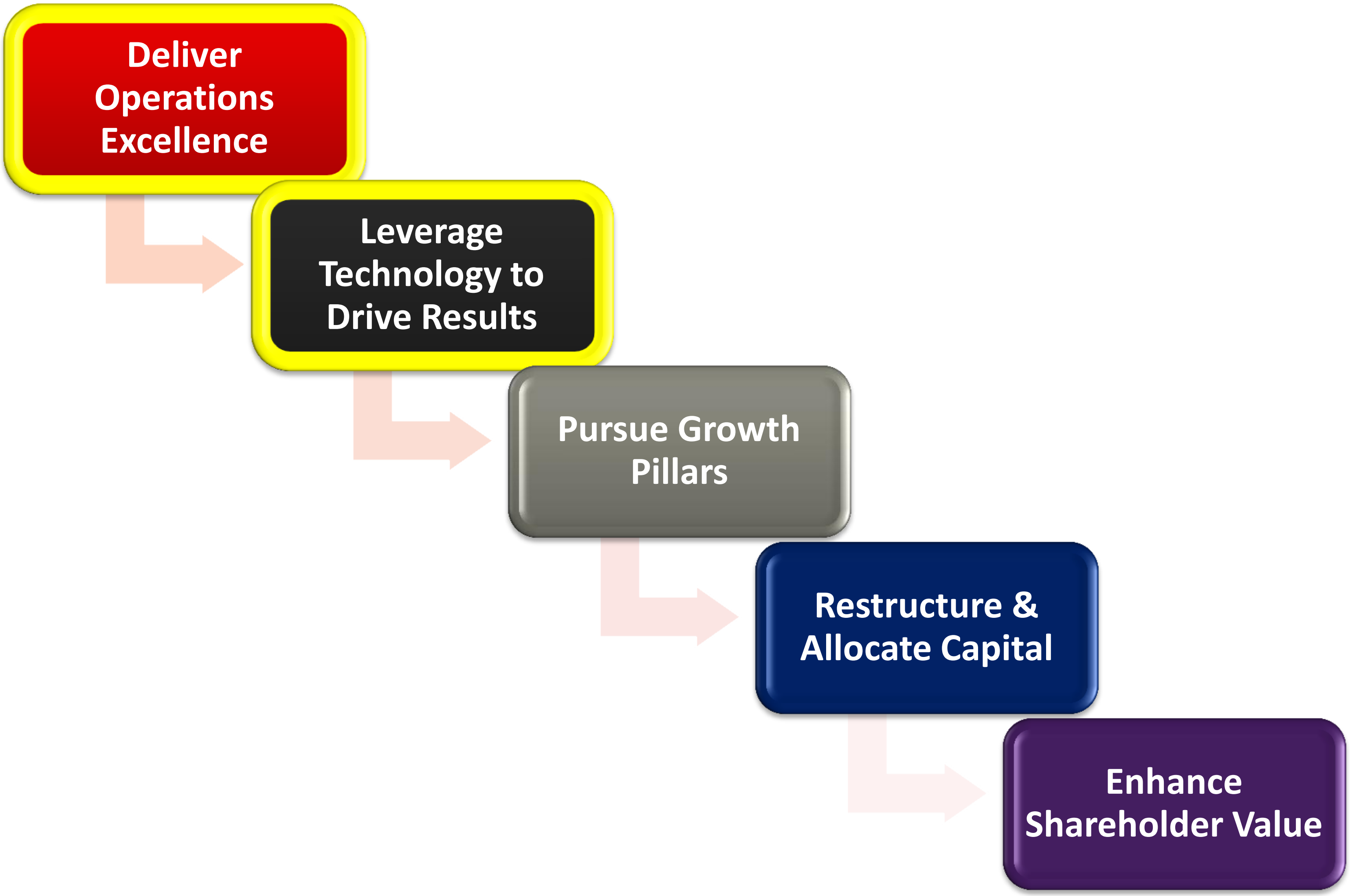
President and

Chief Operating Officer

SunCoke Energy™

SXCP™
SXCPartners

Pathway to Shareholder Value



Deliver Operations Excellence

Financial Performance

Productivity

- Leverage operating know-how and technology to continuously improve yields, operating and maintenance costs

Focus of The SunCoke Way

Execution

- Rigorous discipline around systems and processes of coke and coal mining operations

Safety & Environmental

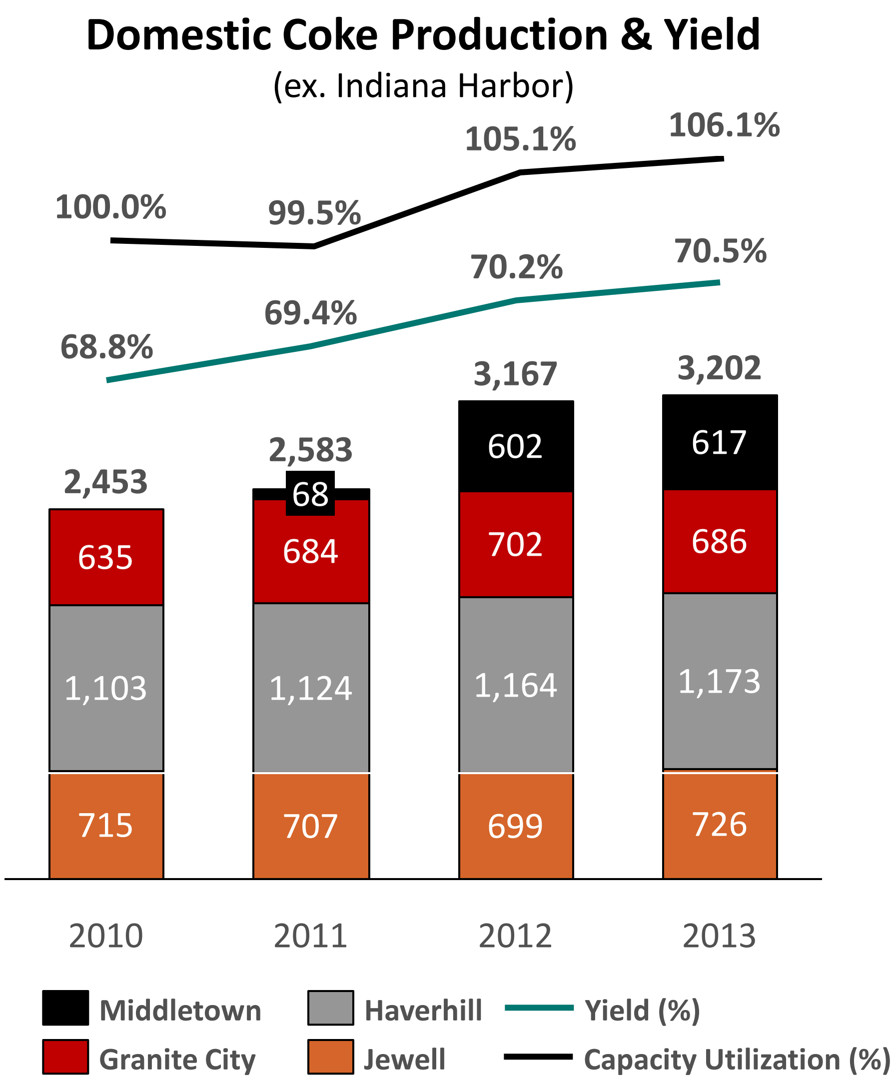
- Sustain and enhance top quartile safety performance
- Meet and exceed environmental standards

SunCoke Way – Production & Yield

Tangible impact on production & yield

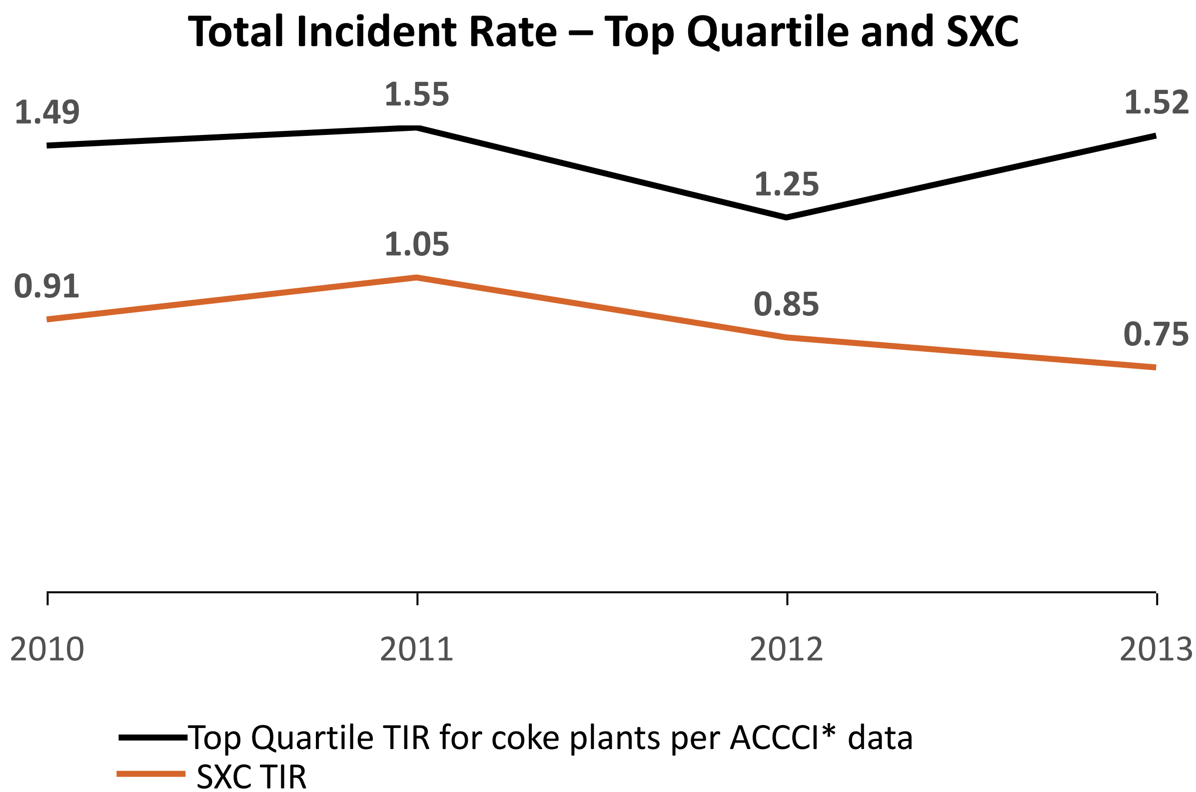
(excluding Indiana Harbor)

- 1% coal-to-coke yield improvement contributes ~$6 million to Adjusted EBITDA (*based on $100 per ton coal price*)
- 2013 production ~50,000 tons above contract maximum
  - Enabled spot sale to new customer



SunCoke Way – Coke Safety

- Achieved historical best health and safety performance in 2013
  - Including Brazil, SXC/SXCP represents four of five positions in top quartile



**ACCCI – American Coke and Coal Chemical Institute*

International Coke

Brazil Coke

- Demonstrated exceptional flexibility operating at ~50% utilization
- 2013 Adj. EBITDA of $16 million on 876 thousand tons
- Expect improvement in 2014 on higher volumes

VISA SunCoke

- Strong operating performance
- Merchant market experiencing margin compression due to slower economic growth, import pricing pressure and high inventories
- Anticipate contribution of ~$3 million to 2014E Adj. EBITDA

Brazil Coke

VISA SunCoke

Coal Mining Business

- Continued focus on decreasing cash costs per ton on productivity gains and reduced royalty rates

- Maintaining focus on top quartile safety and compliance performance

- Preserve assets and capabilities to maximize strategic flexibility

LEVERAGE TECHNOLOGY

Leverage Technology

Focused on driving greater productivity from existing assets and enhancing competitive advantages

Asset Support	Environmental Performance	Technology Advancement
• Improve and optimize productive capabilities of existing assets	• Meet current environmental requirements • Develop designs and processes to meet and surpass next generation environmental standards	• Extend and protect our proprietary technological edge for implementation at existing and new assets
Faster Coking	**Gas Sharing**	**Improve Yield & Breeze Recycle**

Faster Coking

Goal: Improve existing asset utilization

Background:

- Existing oven loading processes 1 ton of coal per hour
- Increase coking rate by varying charge size and burn practices

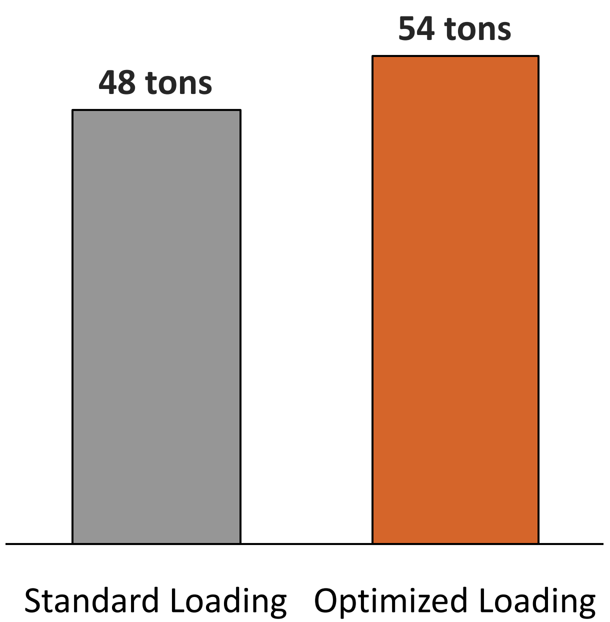
Expected Benefits:

- Flexibility to accelerate production opportunistically to meet market demand but limited by quality considerations and permit limits

Potential Value:

- Potential to increase production by 5% to 10% across U.S. fleet
- Per ton profit on incremental tons greater than average

Increased Coking Rate
(coal tons processed in 48 hours)



Gas Sharing

Goal: Develop and implement new technology to minimize venting

Background:

- Address NOVs at Haverhill and Granite City as part of U.S. EPA Consent Decree

Expected Benefits:

- Substantially reduces venting
- Sets new emission standard for cokemaking

Capital Investment:

- Estimated cap ex $120 million to be invested 2012 – 2016
  - $33 million in 2012-2013; $41 million planned in 2014

Improve Yield

Goal: Improve coke yield by minimizing burn loss

Background:

- Existing technology typically results in 2%-3% burn loss
- Redesigning oven air flow

Expected Benefits:

- Reduce burn loss to drive higher coke yield

Potential Value:

- 1% burn loss reduction across U.S. fleet could drive ~$8 million benefit (@ $100/ton coal price)
- Earliest implementation 2016

Breeze Recycle

Goal: Repurpose low value outputs

Background:

- Breeze has limited market value
- Recycling 1%-3% into coal blend

Expected Benefits:

- Reduces blend cost substituting low cost input (breeze) for higher cost input (coal)

Potential Value:

- ~$5M-$10M across U.S. fleet (@ $100/ton coal price)
- Earliest implementation 2017

Breeze Value: ~$15-$30 per ton

Coke Value: ~$320 per ton

INDIANA HARBOR REFURBISHMENT

Investor Day 2014

Indiana Harbor Refurbishment

		Scope and Challenges
Capital Project	Oven Externals	• Replace/repair doors, lintels and buckstays for 268 ovens and replace stacks • Labor productivity lower than expected due to operating schedule conflicts and weather • Work caused disequilibrium in plant, impacting production and oven condition
	Pusher/ Charger Machine	• Replace two machines to reduce maintenance expense, improve reliability, decrease oven wear and decrease coal spillage
Plant Expense	Common Tunnel	• Underestimated impact of draft restriction in original scope • Draft critical to oven performance • Plan to repair/replace common tunnel to improve draft
	Oven Floors/ Sole Flues	• Disequilibrium created by oven refurbishment impacted condition of the most challenged ovens • Plan to repair/replace oven floors/sole flues on underperforming ovens (~ 25% of ovens)

Indiana Harbor Refurbishment

		Status and Outlook
Capital Project	**Oven Externals**	• 3 of 4 batteries complete; final battery to be completed in March 2014 • All stacks replaced in 2013 • Capital expenditures of $85 million; ~$15 million higher than originally expected due to productivity issues
	Pusher/ Charger Machine	• Design and engineering complete; manufacturing in process • Deliveries expected in June and November 2014 • Capital expenditure of $16 million in-line with expectations
Plant Expense	**Common Tunnel**	• Common tunnel repairs/replacement to be completed by April 2014 • Incremental expense in Q1/Q2 results
	Oven Floors/ Sole Flues	• Work on target ovens underway • Expect completion of target oven repairs by June • Incremental expense in Q1/Q2 results

Refurbishment End State

New Oven Exterior	New Tunnel/Stack	New Oven Internals
		

Refurbishment End State

New Pusher/Charger Machines

- Next generation modular design with upgraded features
  - Targeting zero spillage
  - Improved operations and maintenance
- ~$16M total spend; deliveries expected in June and November
- Facilitates ramp-up to 1.22 million tons annual production

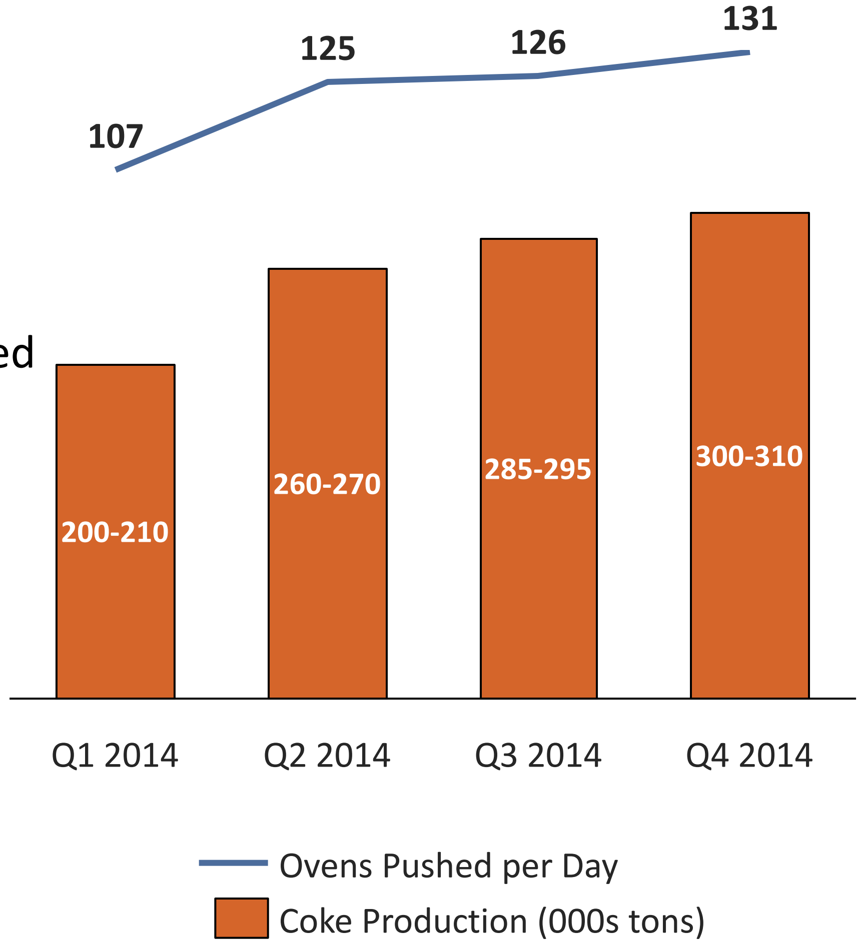
Pusher/Charger Machine at Middletown

Indiana Harbor Outlook

Indiana Harbor Ramp-up

- Refurbishment project and severe weather impacted Q1 production and costs
- Q2/early Q3 anticipated blast furnace outage
  - Expect reduced production during outage; may result in inventory build and/or deferred payment terms
  - After outage, maximum production needed
- With completion of refurbishment scope in Q2 expect improvement in 2H
  - Delivery of pusher/charger machines to further enable ramp-up in 2H
- Projected FY 2014 Adjusted EBITDA of $20M - $25M to be second-half loaded

Indiana Harbor: Projected 2014 Coke Production and Ovens Pushed



POTENTIAL NEW COKE PLANT

SXCP Investor Day 2014

New Coke Plant – South Shore, KY

Site/Plant Attributes

- Good inbound & outbound logistics
- Multi-customer site can serve contract and spot markets
- Design enhancements
  - 30% smaller footprint
  - Modular design enables future expansion
  - Improved yields due to better coal/coke handling and oven design/control
  - Higher energy production
- Capital expenditure expected $570 - $670 per ton
  - Middletown was $745 per ton

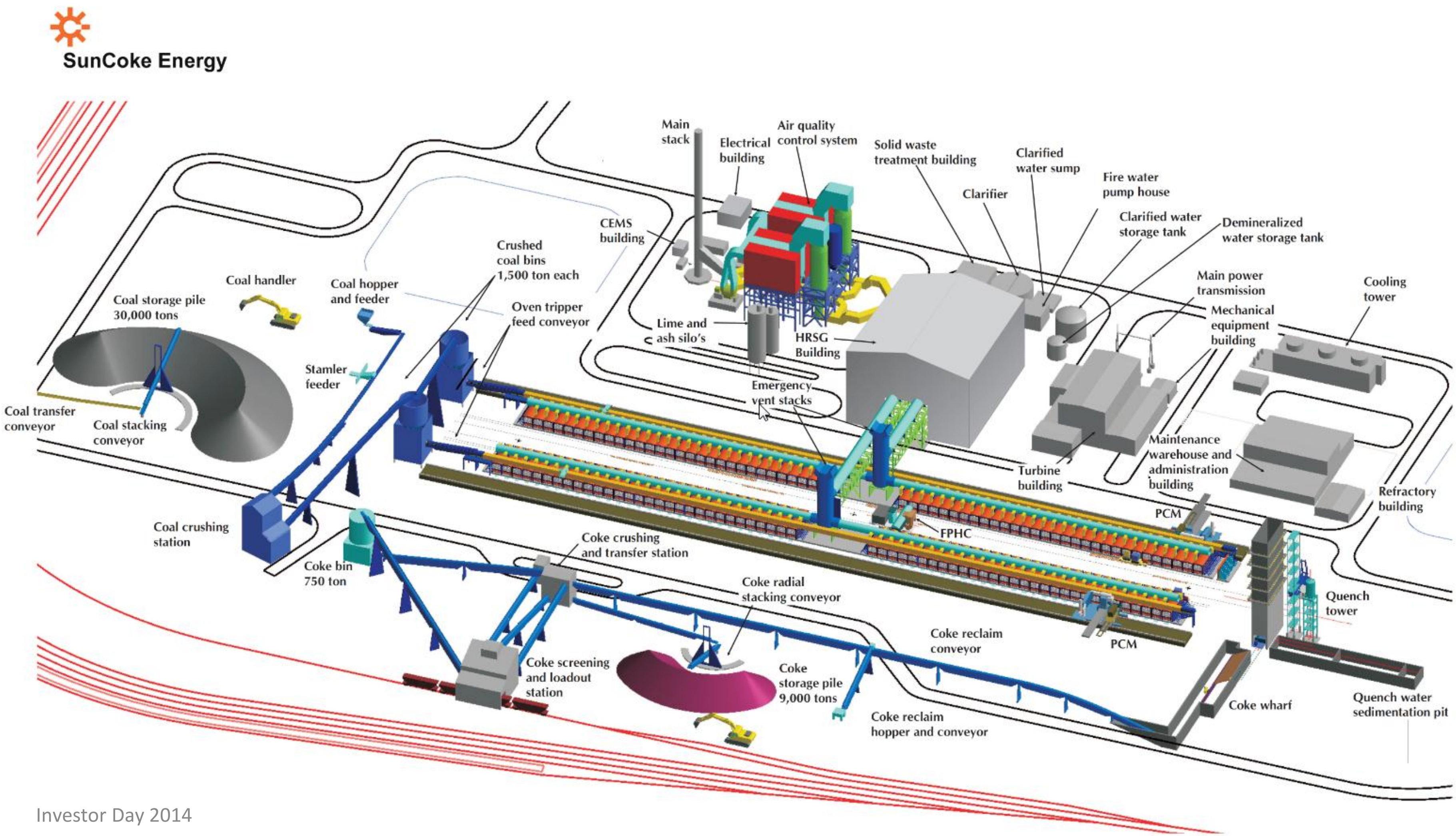
Permit Status

- Final permit estimate – Q2 2014
- Earliest construction – Q4 2014
- First coke delivery – Q1 2017

Customer dialogue – ongoing

Proposed New Site

Proposed new coke plant expected to have 120 ovens and annual coke production capacity of 660 thousand tons and ~60MW of power generation



COAL LOGISTICS

SXCP Investor Day 2014

Coal Logistics Opportunity

Coal logistics complements existing cokemaking business, offers near-term growth opportunities and customer diversification

Strategic Assets

- KRT strategically advantaged with access to barge, rail and truck
- Locations in Ohio River System well positioned to serve CAPP miners, power companies and steelmakers
  - Ability to blend Illinois Basin with CAPP coal may help drive organic growth with power companies
- Bolt-on acquisition opportunities
- Broadening customer base diversifies credit and market risk

Platform for Growth

Strategically Located Assets

Experienced Management Team

Extend Capability to Broaden Exposure to Steel Value Chain

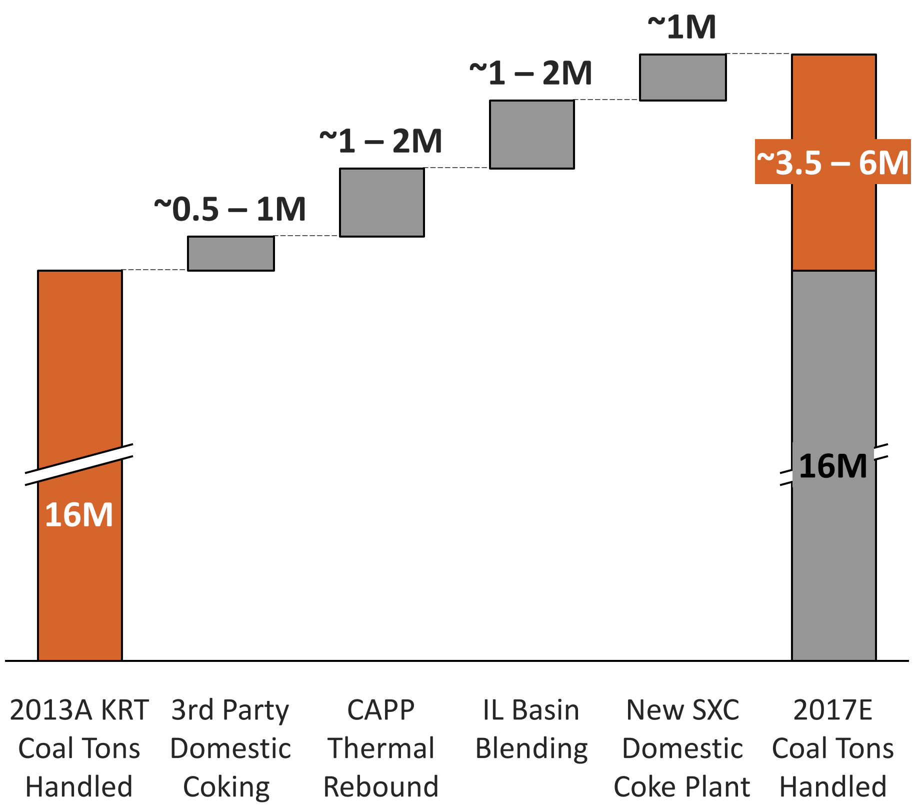
Coal Logistics Organic Growth Opportunity

Organic Growth

- Moved ~800K internal tons from competitors to KRT
- Discussion with steelmakers to increase met coal tonnage
- Anticipate increased throughput from nearby coal producers
- Exploring opportunity to expand with public utilities
- Incremental revenue flows primarily to EBITDA

Target Areas for Volume Growth at KRT

(tons handled)



SXCP Investor Day 2014

Jonathan Lock

Vice President - Strategy

SunCoke Energy™

SXCP™

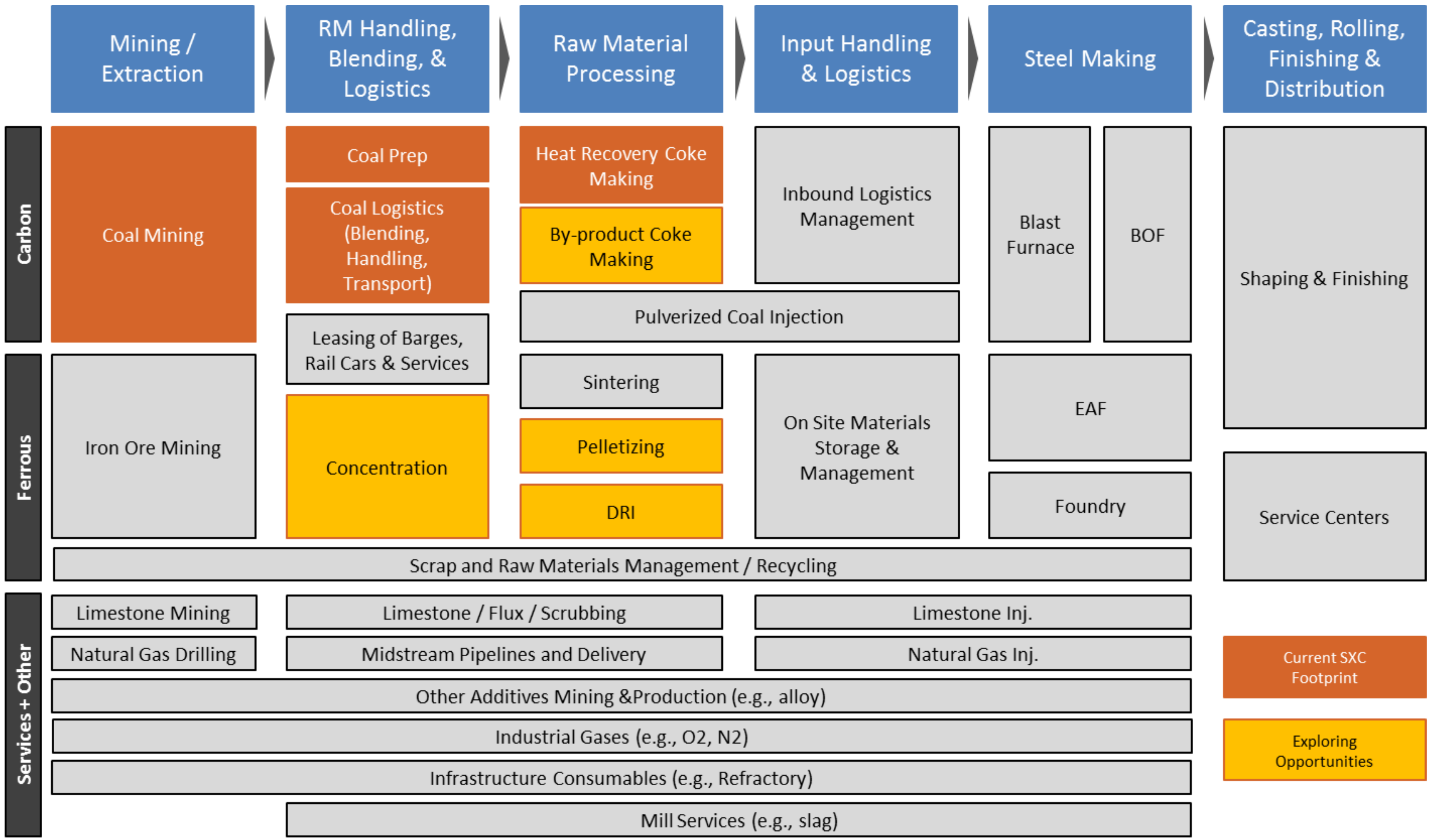
SXCPartners

Pathway to Shareholder Value

1. Deliver Operations Excellence
2. Leverage Technology to Drive Results
3. Pursue Growth Pillars
4. Restructure & Allocate Capital
5. Enhance Shareholder Value

The Steel Value Chain

Steel value chain survey identified attractive adjacent opportunities



Our Growth Priorities

1 Look to generate growth which is

- Similar in risk profile to core business
- Consistent with existing business model
- Aligned with Core Competencies

2 Seek organic growth and acquisitions with focus on

- Opportunities that generate qualifying income
- Increased customer diversification

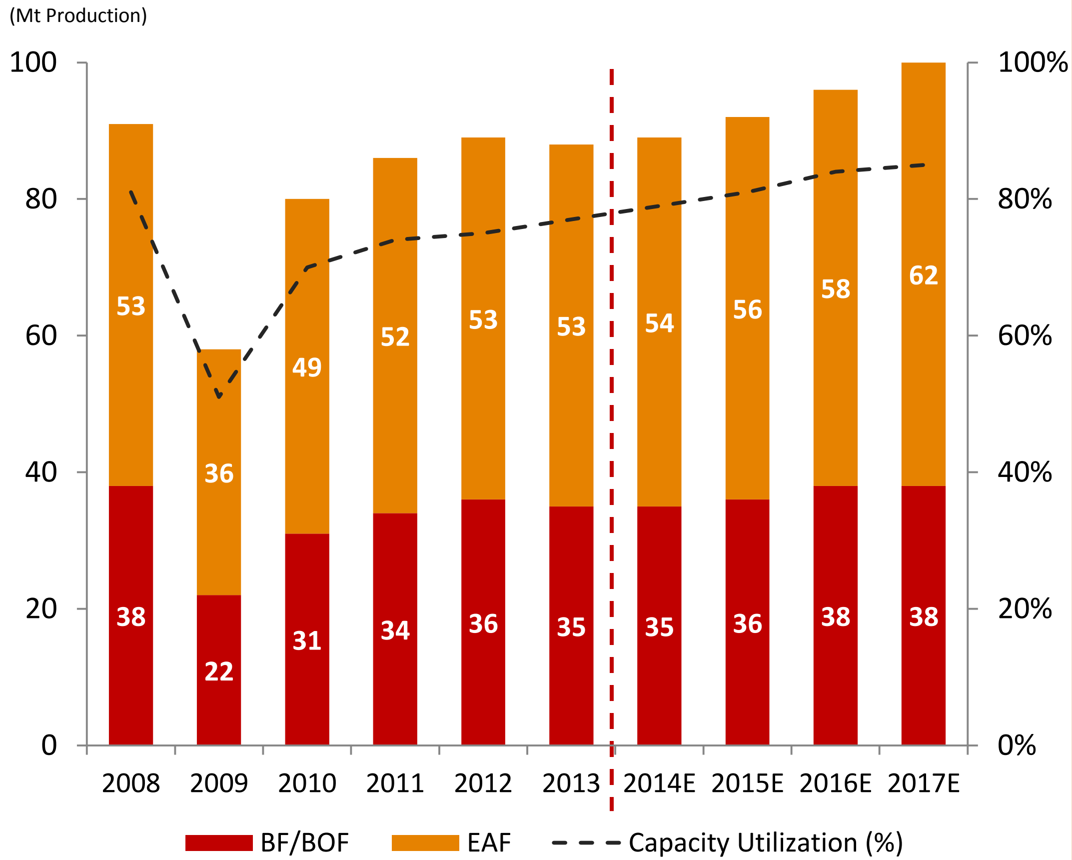
Growth Strategy

Area of focus	Cokemaking	Coal Logistics	Iron Ore Processing
Summary	**Greenfield development and/or acquisition of existing cokemaking facilities with long-term off-take agreements**	**Acquisition or development of selective coal handling & processing assets, with long-term off-take arrangements and limited commodity exposure**	**Investment in ferrous side of steel value chain, such as in concentrating, pelletizing and transport/handling of iron ore**
Organic Growth (SXC)	• Contract renewal and ramp-up at Indiana Harbor • Expect permit for a new plant in 1H 2014	• Exploring greenfield development opportunities	• Evaluating potential greenfield DRI opportunities
M&A (SXCP)	• Discussing potential acquisition of targeted coke assets • Complexity implies 2014 and beyond timeframe	• Two acquisitions completed • Evaluating targeted opportunities	• Received favorable ruling on qualifying income status of concentrating & pelletizing • Submitted PLR for DRI – timing uncertain

Coke – Market Dynamics

Expect stable coke demand on rebounding steel production

Domestic Steel Production & Capacity Utilization



Source: AISI, CRU, Internal Company Analysis

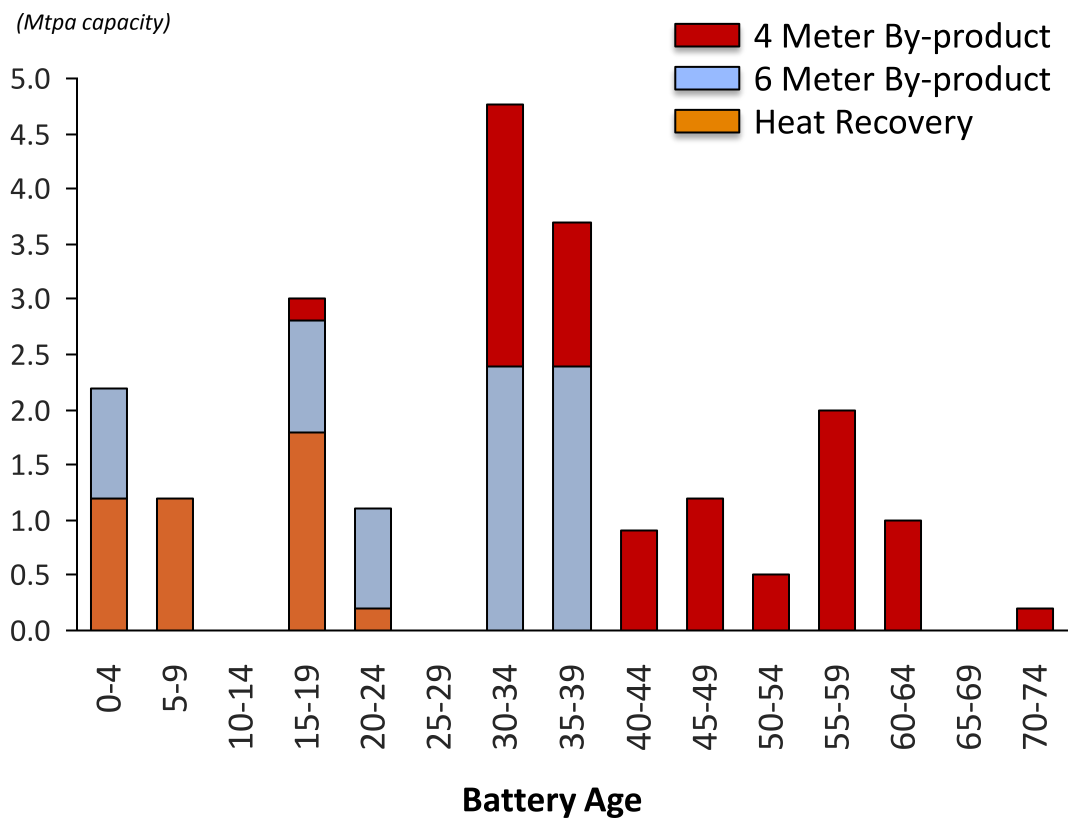
Industry Outlook

- Steel demand outlook driven by automotive, construction
- EAFs expected to capture majority of growth
- Expect BF/BOF to hold volumes based on quality & advanced product design
- Forecast stable coke utilization rates

Coke – Market Dynamics

Expect coke battery retirements to reduce coke capacity over time

U.S. & Canada Coke Battery Age Distribution



Source: CRU Met. Coke Market Outlook, Internal Company Analysis

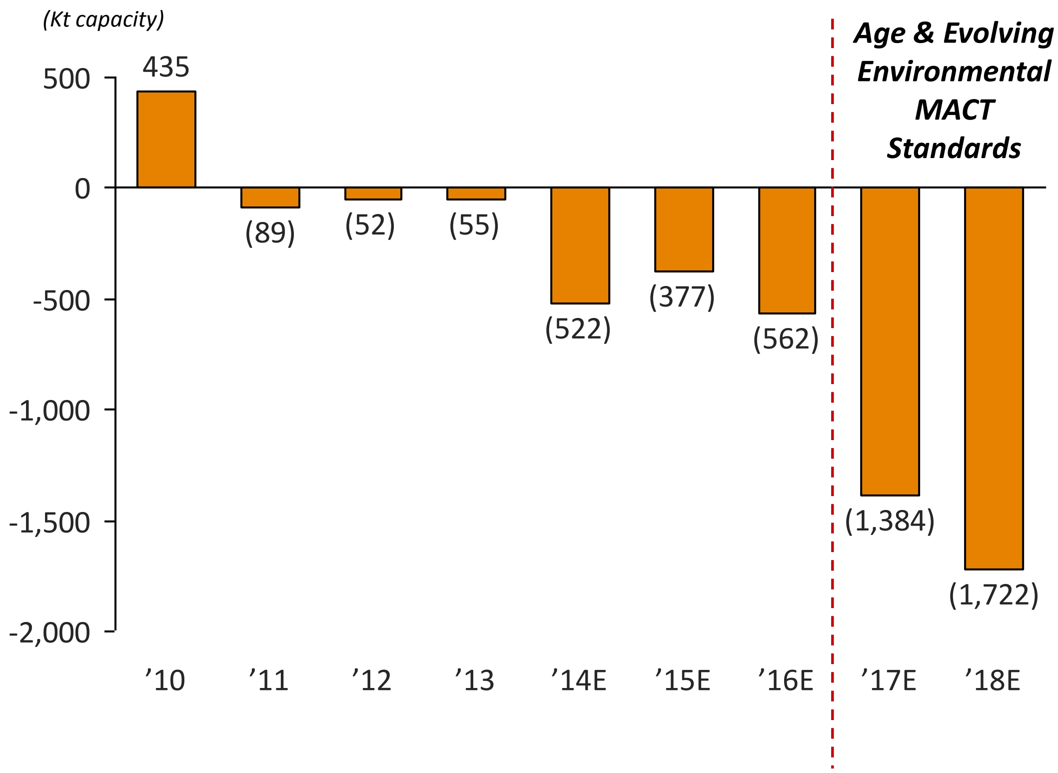
Industry Outlook

- By-product coke battery productivity falling as fleet ages
- Early 6-meter battery retirements increasingly possible
- Alternative coke projects do not appear to be yielding reliable coke
- Recent coke battery closures include AM Dofasco & US Steel Gary Works
  - Represents ~1 million tons of coke production

Coke – Market Dynamics

Forecast U.S. & Canada coke shortage in excess of 1M tons by 2017

U.S. & Canada Blast Furnace Demand vs. Capacity[1]



1. Data represents BF demand and capacity exclusive of imports

Source: Internal Company Analysis

Industry Outlook

- Expect market tightening as aging batteries shutdown
- Forecast domestic coke short >1M tons by 2017
- Virtually no imports in 2013
- Imports or DRI/EAF could reduce coke demand, but evolving environmental standards may accelerate retirements

Coke – Prospective Economics

Next Generation Coke Plant Economics

Plant Specifications

Total CAPEX: ~$375M-$440M

Total Capacity: 660Ktpa

Power Output: ~60MW

Location: South Shore, KY

Contracting Strategy

- Multi-customer plant delivering customers value via competitive prices
- Target commitments for 60%-70% capacity under 7-10 year terms
- Open to selling remaining coke capacity via merchant market

- SXCP has preferential right to acquire once operational

Coal Logistics – Market Size




	Rail	Barge	Truck	Terminals (1)
Tonnage	600M-800M tons	150M-350M tons	100M-200M tons	**350M-550M tons**
Per Ton Rate(2)	\$16-\$19/ton	\$5-\$8/ton	\$4-\$7/ton	**\$3-\$8/ton**
EBIT Margin(3)	25%-30%	15%-20%	5%-10%	**20%-30%**
Profit Pool (EBIT)	\$2.4B-\$4.6B	\$100M-\$600M	Up to \$100M	**\$200M-\$1.3B**
Capital Intensity	High	Medium	Low	**Medium**
Fragmentation	Low	Medium	High	**High**

Note: tonnage estimates reflect primary mode of transportation for any multi-modal shipping

(1) Per ton rates represent all–in service offerings (e.g., any combination of blending, storage, sampling, crushing, transloading, etc.)

(2) Rates sourced from internal analysis and EIA & STB reports; barge and truck transportation rates reflect coal transported to electric power plants

(3) EBIT margins derived from internal analysis, logistics company financials and industry-wide estimates

Coal Logistics – Developing our Pipeline

SXCP

Applied rigorous screening process to identify high-priority, near-term coal logistics targets

Commodity
- Coal Biased
- MLP'able Bulk

Competitive Advantage
- Advantaged Location
- Well Run

Mode of Transport
- Rail
- Barge
- Truck

(to customer)

Geography
- Midwest
- East Coast
- US Gulf Coast

Size
- Focus on small and medium
- Fit within MLP

>50 Coal Focused Logistics Assets

+

>175 Logistics Companies w/ Coal Assets

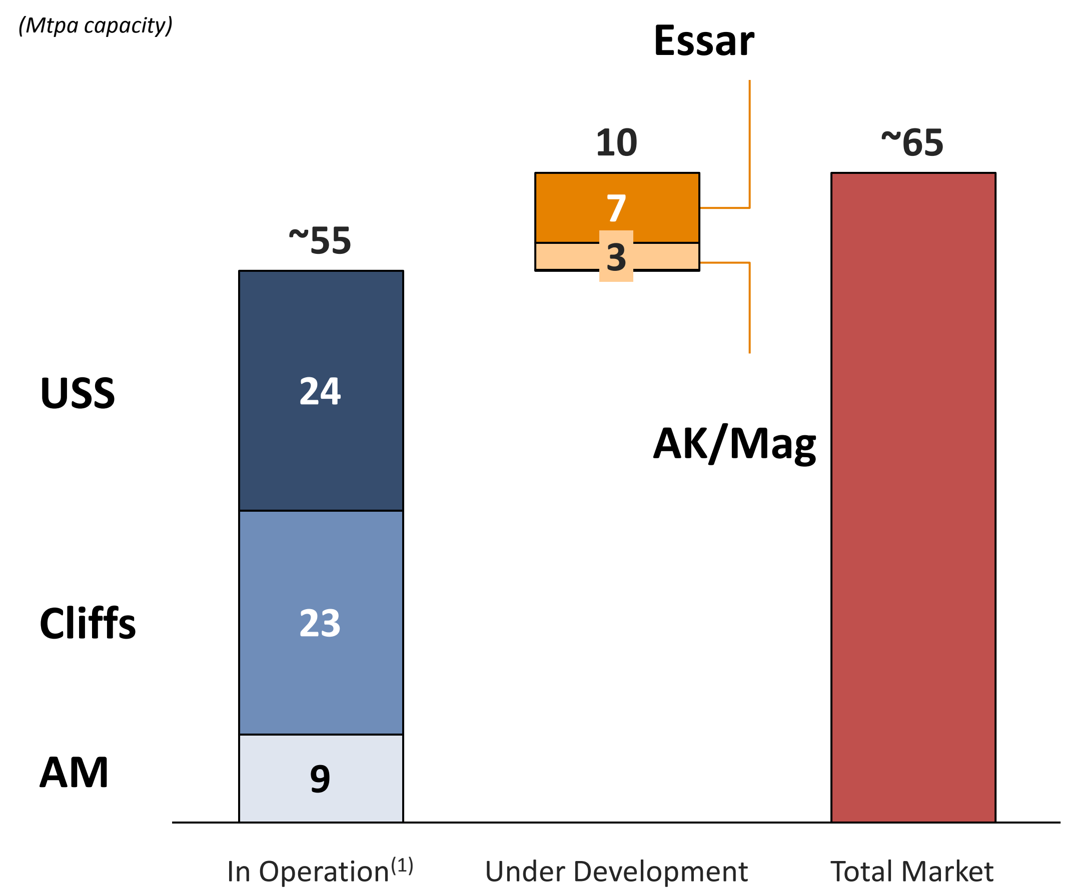
Initial Universe

~1B Tons of Coal

High Priority Targets

Ferrous – Concentration & Pelletization

U.S. Iron Ore Production



1. Estimated capacity in accordance with ownership structure

Source: Internal Company Analysis

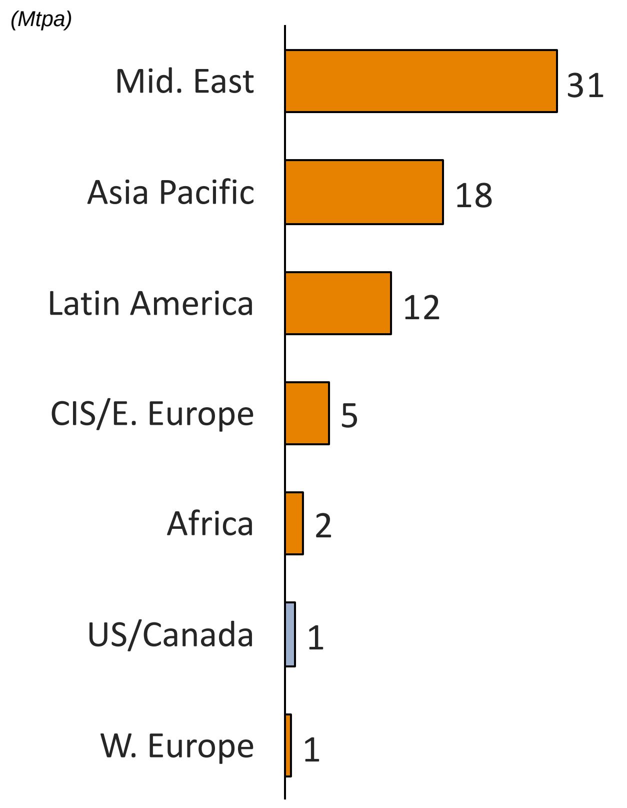
Cokemaking Parallels

- High capital intensity ($100-$150/ton); similar material conversion process to coke
- Potential for similar commercial structure; processing fee with return on capital and limited commodity risk
- Assets highly concentrated in hands of few large operators
- SXCP cost of capital provides potential advantage

Ferrous – DRI Market Size

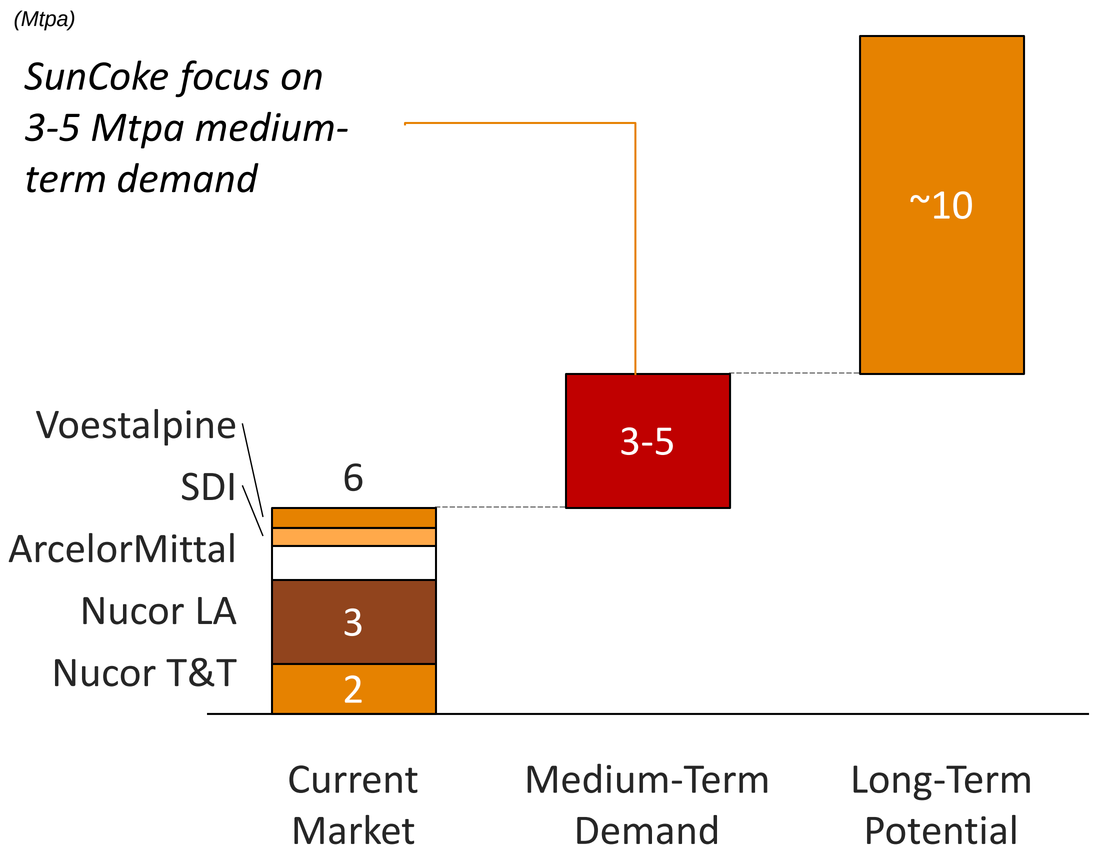
U.S. & Canadian DRI market in early stages; expect need-based demand will dominate near term

2013E Global DRI Production



Source: Midrex 2012 Statbook, World Steel Association

Potential U.S. & Canada Demand



Ferrous – DRI Near-Term Demand

DRI demand fragmented and driven by different needs

Drivers of DRI Demand

Raw Material Flexibility
- DRI an alternative to pig iron and premium scrap

Steel Quality Premium
- DRI provides pure iron units for higher quality steel

Challenged Logistics
- DRI helps reduce input costs for logistically challenged EAFs

Size of Opportunity by Region

Great Lakes & West

Customer #1	1.5
Customer #2	0.9
Customer #3	0.8
Customer #4	0.4
Others	0.5
Total	**~3-5 Mtpa**

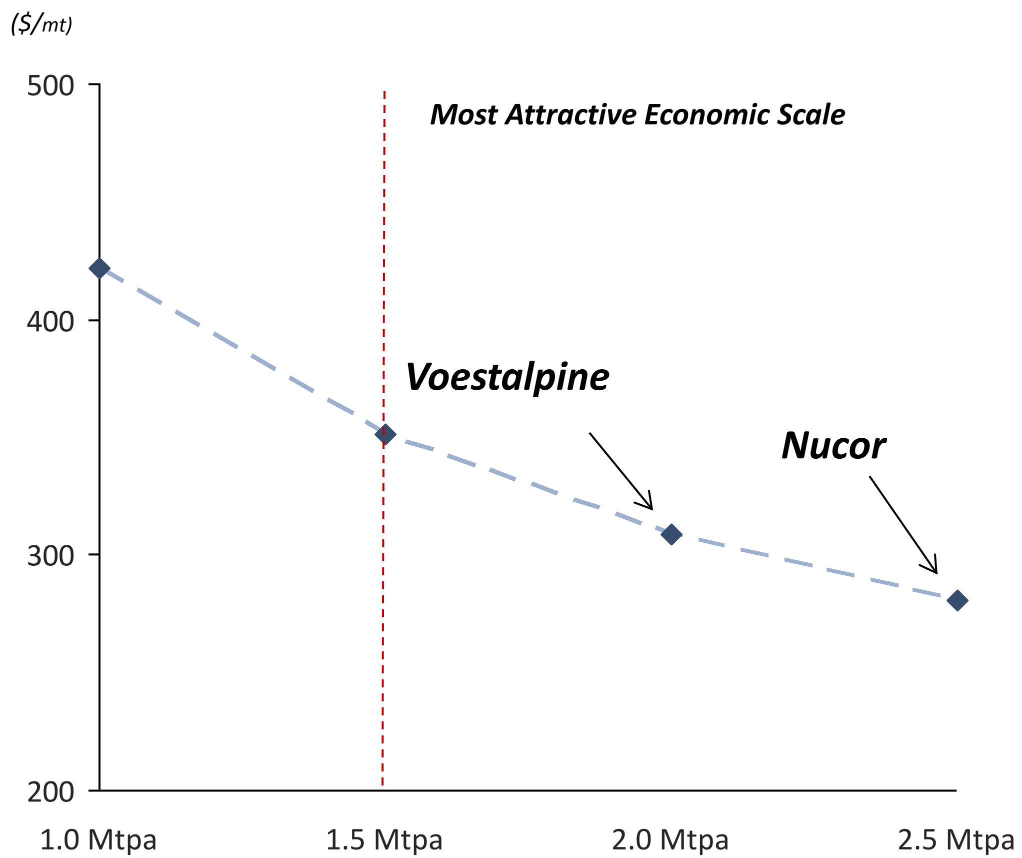
South East

Customer #1	0.6
Customer #2	0.2
Others	0.1
Total	**~1 Mtpa**

Ferrous – DRI Project Scale and Economics

Opportunity to aggregate demand to achieve economic scale and leverage SXCP cost of capital

DRI Project Capital Cost per Ton



DRI Project Characteristics

- Substitute pig iron and hedge scrap due to low natural gas pricing
- DRI capital intensive, requiring scale to optimize (1.5 mt plant ~$500M investment)

SXC/SXCP Value Proposition

- Provide capital and operate facility
- Long-term supply contract with anchor customer for hot DRI, balance sold to market as cold DRI
- Cost pass-through of all commodities (iron pellets & nat. gas)
- Target low to mid-double-digit return

SXCP Investor Day 2014

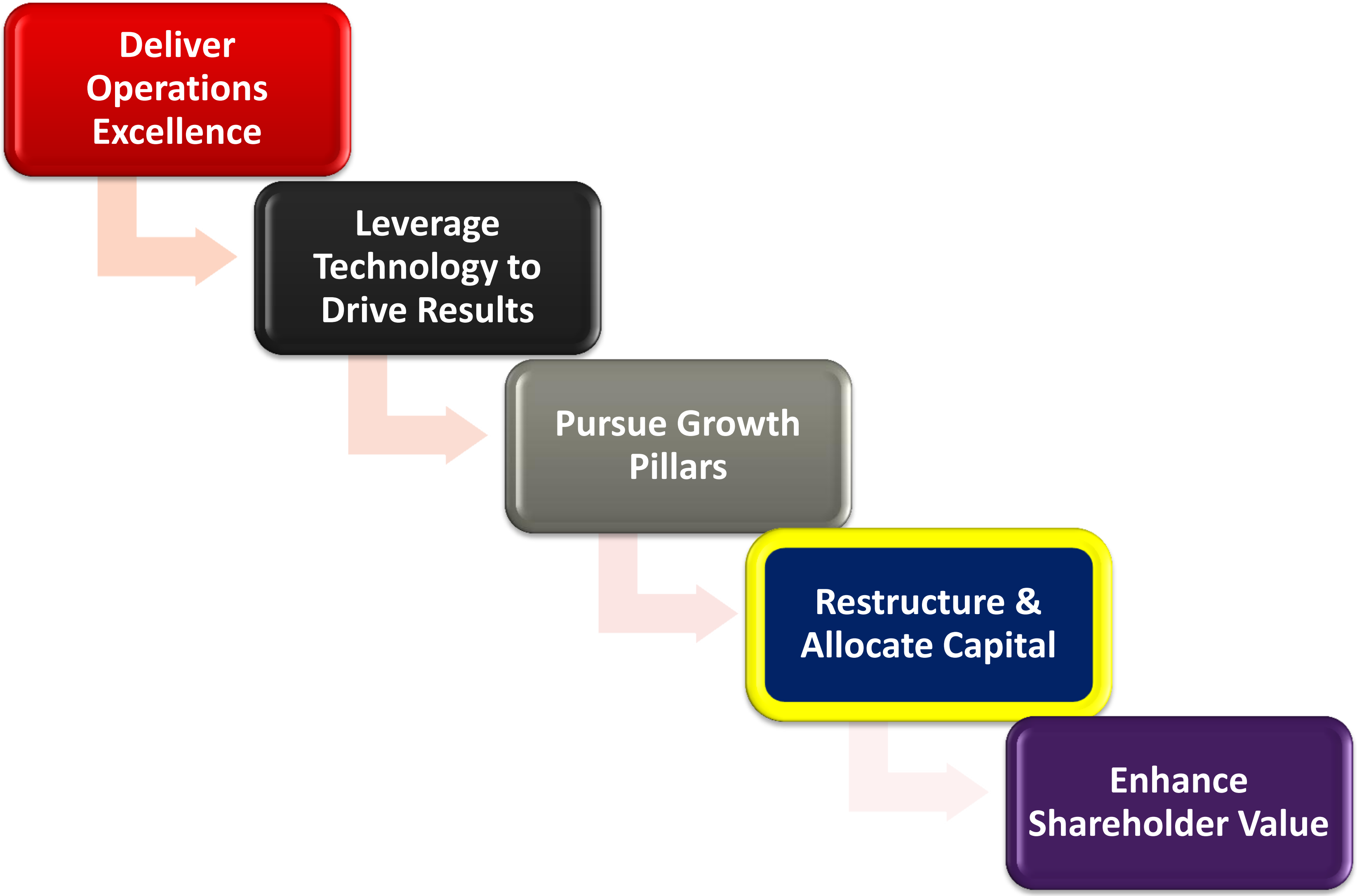
Mark Newman

Senior Vice President &
Chief Financial Officer

SunCoke Energy™

SXCP™
SXCPartners

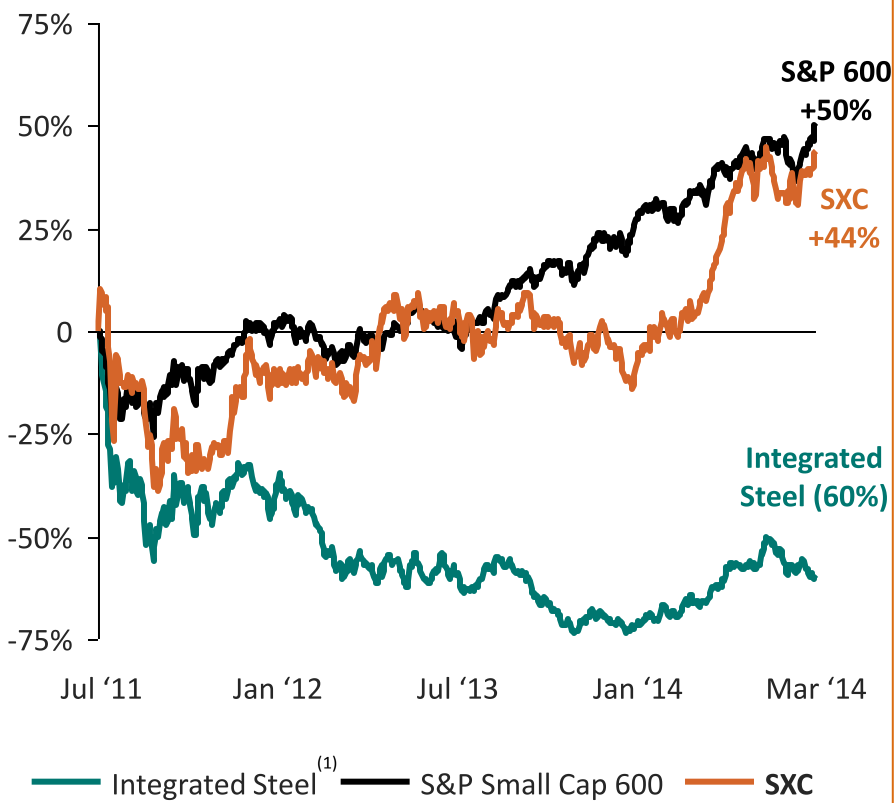
Pathway to Shareholder Value



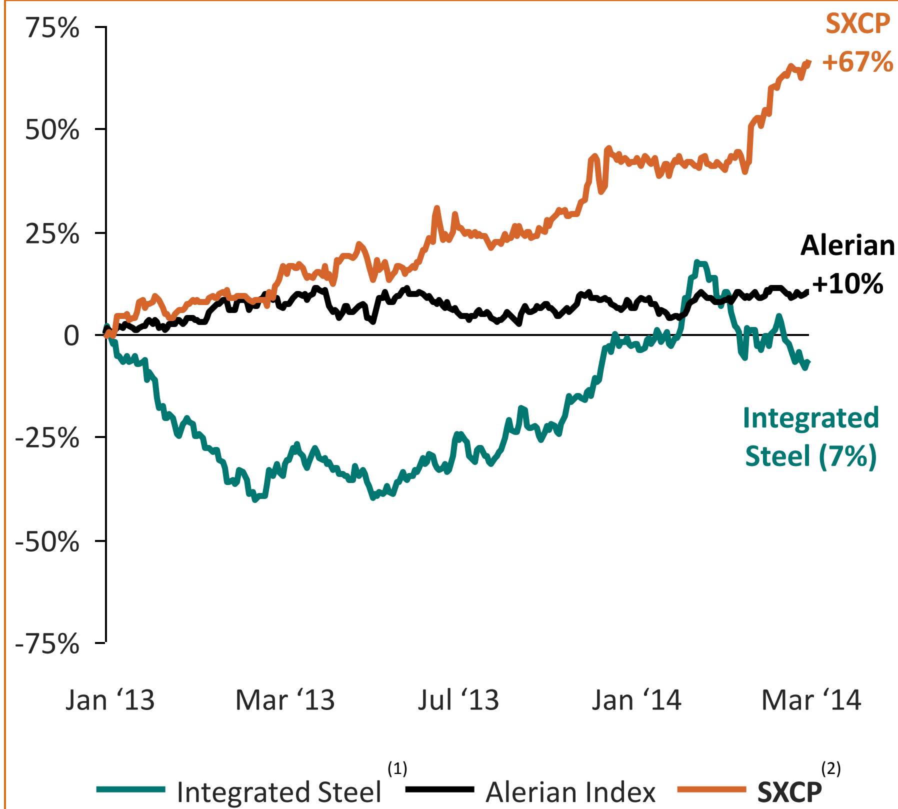
Value Creation to Date

SXC and SXCP delivered value since IPOs

Since SXC IPO (07/21/11)



Since SXCP IPO (01/18/13)



1. *Integrated Steel Group includes AKS, X, MT, and CLF.*
2. *Data is unit price performance only, and does not include distributions.*

Future Value Creation

Intend to continue to create value by optimizing structure and efficiently allocating capital

1 Drop down Domestic Coke Assets to SXCP

- Board supports drop down of domestic coke assets over time
  - Increase distributions to SXC as General Partner
  - Generate cash proceeds to invest, de-lever or return to shareholders

2 Restructure Coal Mining Business

- Potential exit from coal business expected to unlock value
  - Ensure reliable, long-term supply of coal for Jewell Coke
  - Reduce/eliminate exposure to commodity price and mining risks
  - Enable Jewell Coke standalone operation

3 Optimize Capital Allocation

- Invest in existing assets to drive performance
- Finance potential capital intensive growth projects that can drive future cash flow growth (new coke plant, DRI)
- Evaluate capital allocation priorities as dropdowns occur

Dropdown Value Drivers

	Expected Impact from Dropdown Plan	Impact to SXC Equity Value
1 Value of SXCP LP Units	• Higher achievable LP unit distribution growth rate leads to increased SXCP unit price	↑
2 Value of GP Cash Flows	• GP cash flows increase as higher IDR splits reached	↑
3 Cash Proceeds	• Debt paid down and cash builds over time through dropdown proceeds and free cash flow	↑

Expected End Result

- ✓ Multiple expansion on existing assets
- ✓ Maximum value of GP/IDR interests
- ✓ Financial flexibility to invest for growth or to support potential return to shareholders

Asset Considerations

All SXC Domestic Coke assets are good candidates;
Haverhill and Middletown are most attractive initial dropdown

● - ○ **Relative attractiveness**

	Granite City	Haverhill & Middletown	Indiana Harbor	Jewell Coke
Ease of Execution / Asset Readiness	◕	●	◔	◔
Customer / Asset Diversification	◑	◔	◕	◑
DCF / % of EBITDA	◑	◕	◔	◑
Estimated Run-Rate Adj. EBITDA	$35M - $45M	$40M - $50M[1]	$35M - $45M	$45M - $55M

- ~$175M in Domestic Coke Adj. EBITDA remains to be dropped from SXC to SXCP
- Expect to include incremental allocation of corporate costs with dropdowns

1. *33% basis for both plants combined.*

Tax Efficiency Illustration

Simplified Example of Tax Implications for Sale to SXCP

Asset Sold to SXCP	
Fair Value	= $150
Tax Basis	= 0
Tax Life	= 15 years

SXC Interest in SXCP	
~58% (pre-transaction)	

Form of Consideration:	Cash Only	Assumed Debt or Units Only
Consideration to Seller	$150	$150
Less: Tax Basis	0	0
Gain on Sale	$150	$150
Day 1 Tax (35% Rate)	**($53)**	**$0**
Future (Income)/ Depreciation per year	6	(4)
PV of Future Tax (@ 10% Discount Rate)	**15**	**(11)**
Total PV of Taxes	**($38)**	**($11)**

SXC receives share of asset depreciation on stepped up basis value over asset life ($150 ÷ 15) x 58%

Implications for SXC

- Assumption of debt and/or taking back units provides significant tax benefits for sale of low basis assets to SXCP
- Estimated tax basis in remaining SXC domestic coke assets ~$200M as of 12/31/13
- SXC debt of ~$500M as of 12/31/13 available to use with future dropdowns
- However, SXC units retained have very low basis; sale of units would trigger gain

SXC delivers depreciation to public unitholders as if asset basis stepped up; income recognition for SXC offsets public deduction ($150 ÷ 15) x 42%

Dropdown Considerations and SXCP Impact

Variable	Considerations
Drop Multiple	• Balance accretion to SXCP with providing SXC appropriate value • Subject to SXCP Conflict Committee approval
SXCP Financing	• Excess leverage capacity at SXCP provides flexibility; expect to move toward target 3 – 3.5x leverage over time
Distribution Coverage	• Anticipate "flexing" coverage with drops to achieve ratable growth • As we increase scale and asset/customer diversity over time, expect to reduce target cash coverage ratio to 1.1x
Timing	• Discussing terms of first dropdown; remaining coke assets to support distribution growth target • Flexibility to adjust pace based on M&A opportunities

Expect to deliver 8%-10% annual distribution growth through 2016 with potential upside

Dropdown Considerations and SXC Impact

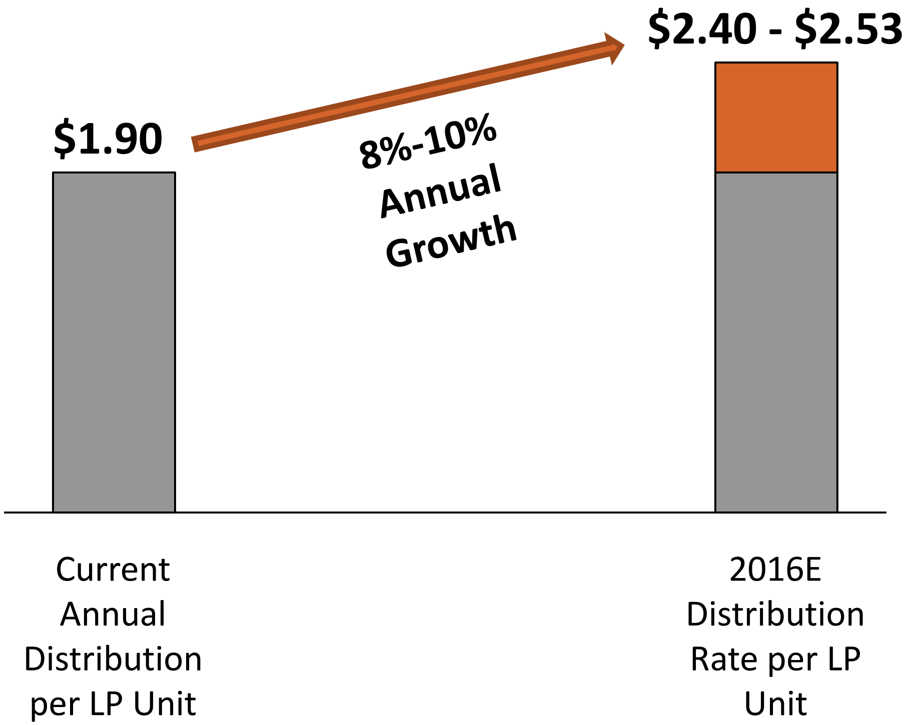
Variable	Considerations
Drop Multiple	• Drop value to SXC includes direct multiple received plus indirect value from SXCP stake and GP/IDR cash flows; provides SXC flexibility
Form of Proceeds	• Expect to take back portion of proceeds in SXCP units for tax efficiency and de-lever through SXCP assumption (and pay down) of SXC debt • Balance tax efficiency with potential liquidity needs at parent
SXC Capital Structure	• Right-size SXC leverage as assets move to SXCP over time • Maintain flexibility for funding growth projects for SXCP
Use of Proceeds	• With dropdown plan, expect to de-lever, retain significant LP stake and near/attain high IDR splits • Allocate cash flow between investments and return of capital

Expect dropdowns to provide multiple expansion on existing assets, proceeds for redeployment and increasing GP/IDR cash flows approaching high splits

Illustrative Dropdown Scenario

Illustrative Dropdown Assumptions

- *EBITDA: ~$175M total over several years*
- *Multiple: reasonable range*
- *SXCP Financing: 50/50 Debt/Equity (~ half of equity taken back by SXC)*



Potential SXC Value

- **SXC LP interest in SXCP**: Relatively unchanged from current (~58%) but with higher unit count
- Potential increase to **SXCP Unit Price** on higher distributions
- **Annual GP Cash Flow**: ~$10M *(at/within 50% GP split)*
- **Cash Proceeds/Debt Assumption**: ~$175M * EBITDA multiple for ~75% of consideration

Initial Dropdown Key Points

Expect to drop 33% interest in Haverhill and Middletown into SXCP

- Subject to SXCP Conflicts Committee approval
  - Expect 33% interest in Haverhill and Middletown to be dropped into SXCP subject to market conditions
  - SXCP Conflicts Committee reviewing offer; have retained advisors
- Expect to finance through a mix of debt, units taken back and public unit offering
- De-leveraging at parent and minimizing of tax leakage will be priorities for initial drop; expect limited cash proceeds at SXC

Fritz Henderson

Chairman &

Chief Executive Officer

SunCoke Energy™

SXCP™
SXCPartners

Pathway to Shareholder Value

Deliver Operations Excellence

Leverage Technology to Drive Results

Pursue Growth Pillars

Restructure & Allocate Capital

Enhance Shareholder Value

Critical Early 2014 Priorities

- **Operations Excellence**
  - Recover from winter across U.S. coke plants to improve results and sustain strong safety performance
  - Execute Indiana Harbor revitalization and re-commission plant
  - Drive mining cash cost productivity and safety excellence
- **Growth Strategy**
  - Pursue bolt-on growth opportunities
  - Continue South Shore permitting and secure customer commitments
  - Evaluate DRI and possible coke plant acquisitions
  - Focus on SXCP qualifying income and distributable cash flow growth
- **Portfolio Strategy**
  - Exit coal consistent with objectives: coal supply, coke plant independence, value creation
- **Capital Allocation Strategy**
  - Execute first dropdown transaction
  - Develop SXC capital allocation framework to be executed with dropdown strategy over next three years

APPENDIX

SXCP Investor Day 2014

Definitions

- **Adjusted EBITDA** represents earnings before interest, taxes, depreciation, depletion and amortization (“EBITDA”) adjusted for sales discounts and the interest, taxes, depreciation, depletion and amortization attributable to our equity method investment. EBITDA reflects sales discounts included as a reduction in sales and other operating revenue. The sales discounts represent the sharing with customers of a portion of nonconventional fuel tax credits, which reduce our income tax expense. However, we believe our Adjusted EBITDA would be inappropriately penalized if these discounts were treated as a reduction of EBITDA since they represent sharing of a tax benefit that is not included in EBITDA. Accordingly, in computing Adjusted EBITDA, we have added back these sales discounts. Our Adjusted EBITDA also includes EBITDA attributable to our equity method investment. EBITDA and Adjusted EBITDA do not represent and should not be considered alternatives to net income or operating income under GAAP and may not be comparable to other similarly titled measures in other businesses. Management believes Adjusted EBITDA is an important measure of the operating performance of the Company's net assets and provides useful information to investors because it highlights trends in our business that may not otherwise be apparent when relying solely on GAAP measures and because it eliminates items that have less bearing on our operating performance. Adjusted EBITDA is a measure of operating performance that is not defined by GAAP, does not represent and should not be considered a substitute for net income as determined in accordance with GAAP. Calculations of Adjusted EBITDA may not be comparable to those reported by other companies.

- **EBITDA** represents earnings before interest, taxes, depreciation, depletion and amortization.

- **Adjusted EBITDA attributable to SXC/SXCP** equals Adjusted EBITDA less Adjusted EBITDA attributable to noncontrolling interests.

- **Adjusted EBITDA/Ton** represents Adjusted EBITDA divided by tons sold

- **Ongoing capital expenditures (“capex”)** are capital expenditures made to maintain the existing operating capacity of our assets and/or to extend their useful lives. Ongoing capex also includes new equipment that improves the efficiency, reliability or effectiveness of existing assets. Ongoing capex does not include normal repairs and maintenance, which are expensed as incurred, or significant capital expenditures. For purposes of calculating distributable cash flow, the portion of ongoing capex attributable to SXCP is used.

- **Replacement capital expenditures (“capex”)** represents an annual accrual necessary to fund SXCP’s share of the estimated costs to replace or rebuild our facilities at the end of their working lives. This accrual is estimated based on the average quarterly anticipated replacement capital that we expect to incur over the long term to replace our major capital assets at the end of their working lives. The replacement capex accrual estimate will be subject to review and prospective change by SXCP’s general partner at least annually and whenever an event occurs that causes a material adjustment of replacement capex, provided such change is approved by our conflicts committee.

Consolidated SXC Guidance Summary

Metric	2014 Guidance*
Adjusted EBITDA (1) **Consolidated** **Attributable to SXC**	 **$230 – $255 million** **$183 – $203 million**
EPS Attributable to SXC Shareholders (diluted)	**$0.35 – $0.60**
Cash Flow from Operations	**~$170 million**
Capital Expenditures	**~$117 million**
Investments	**n/a**
Effective Tax Rate	**20% – 26%**
Cash Tax Rate	**10% – 18%**
Domestic Coke Production	**~4.3 million tons**
Coal Production	**~1.3 million tons**

* - Prior to proposed cokemaking asset dropdowns.
(1) Please see appendix for a definition of Adjusted EBITDA.

Expected SXC 2014 EBITDA Reconciliation

(in millions)	2014E Low	2014E High
Net Income	**$53**	**$71**
Depreciation, depletion and amortization	105	100
Interest expense, net	55	53
Income tax expense	13	24
EBITDA	**$226**	**$248**
Sales discounts	–	–
Adjustment to unconsolidated affiliate earnings(1)	4	7
Adjusted EBITDA	**$230**	**$255**
EBITDA attributable to noncontrolling interests(2)	(47)	(52)
Adjusted EBITDA attributable to SXC	**$183**	**$203**

(1) Represents SXC share of India JV interest, taxes and depreciation expense.
(2) Represents Adjusted EBITDA attributable to SXCP public unitholders prior to proposed cokemaking asset dropdowns and to DTE Energy's interest in Indiana Harbor.

SXCP Adjusted EBITDA and Distributable Cash Flow Reconciliations

	FY 2014 Guidance*	
($ in Millions)	Low	High
Net income	**$ 94**	**$ 107**
Add:		
Depreciation	43	41
Interest expense, net	18	17
Income tax expense	-	1
Sales discounts	-	-
Adjusted EBITDA	**$ 155**	**$ 166**
Adjusted EBITDA attributable to NCI	(50)	(54)
Adjusted EBITDA attributable to Predecessor/SXCP	**$ 105**	**$ 112**
Less:		
Ongoing capex (SXCP share)	(12)	(12)
Replacement capex accrual	(4)	(4)
Cash interest accrual	(15)	(15)
Distributable cash flow	**$ 74**	**$ 81**

* Before proposed dropdown transaction

Capital Expenditures & Investments

2014E Capex

($ in millions)	SXC	SXCP	Consolidated
On-Going	$39	$17	$56
Environmental Project	$5	$36	$41
Indiana Harbor Refurbishment	$20	n/a	$20
Total CapEx	**$64**	**$53**	**$117**
Investments	-	-	-
Total CapEx & Investments	**$64**(1)	**$53**	**$117**

(1) Does not include spending to initiate construction of potential new coke plant (~$30M) or potential new coal prep plant ($30-$60M).