

Clarksons Platou Securities Roundtable: Mining & Shipping

May 13, 2016



SunCoke Energy™

SXCP™

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 SXC or SunCoke Energy Partners, L.P. (SXCP), 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 SXC and SXCP, and may cause actual results to differ materially from those implied or expressed by the forward-looking statements. Each of SXC and SXCP 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 SXC and SXCP. 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. SXC and SXCP 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.

SXC and SXCP



About SXC and SXCP



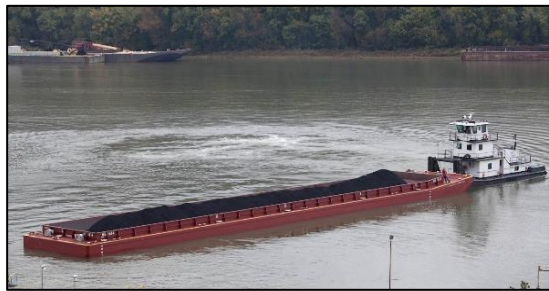
Leading raw materials processing and handling company with existing operations in cokemaking & coal logistics

Current Business



Cokemaking

- Largest independent coke producer in North America with 4.2M tons of capacity; 6.3M tons of global capacity
- Fee-based, take-or-pay contracts with key commodity and operating pass-through provisions
- Technology meets or exceeds environmental standards



Coal Logistics

- Strategically located coal handling terminals with access to rail, barge and truck
- Fee per ton handled, limited commodity risk
- 45Mt total throughput capacity
- 10Mt volume commitment via take-or-pay contracts with low cost ILB producers

Future Platforms



Industrial Materials

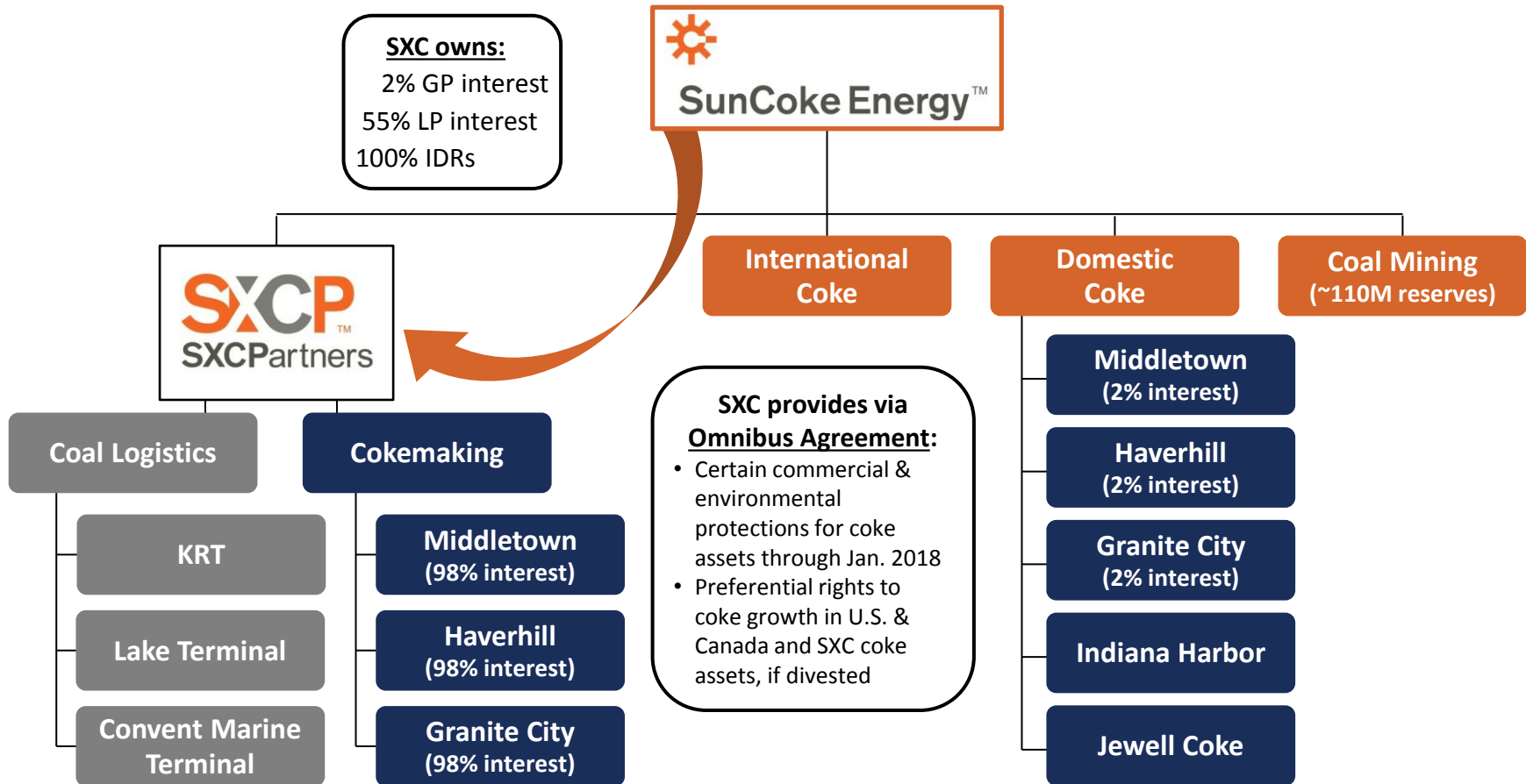
- MLP-qualifying industrial materials processing & handling assets
- Examples include DRI/ferrous, Activated Carbon, Salt, Industrial Clays, Wood Pellets, Limestone, Soda Ash/Bicarb

On hold given challenging environment

SXC & SXCP Organizational Structure



C-Corp / MLP relationship provides flexible capital structure and remains well situated with ~\$225M⁽¹⁾ of combined liquidity



(1) As of March 31, 2016

Asset Value Proposition



Cokemaking & Coal Logistics assets offer unique value proposition

Cokemaking Value Proposition

Long-term, Take-or-Pay Contracts

Competitive Source of Coke

Logistically Advantaged Facilities

Leading Technology with EPA MACT
Environmental Signature

Significantly Newer Asset Base

Coal Logistics Value Proposition

Long-term, Take-or-Pay Contracts at CMT

Direct Rail Access and Multi-Category
Vessel Loading Capability⁽¹⁾ at CMT

New Ship Loader at CMT will
Complete \$120M Upgrade⁽¹⁾

KRT and Lake Terminal Assets Strategically
Located to Serve Core Customer Base

Ability to Handle Various Industrial Materials

(1) Expect installation of ship loader during Q2 2016.

COKEMAKING BUSINESS



SunCoke EnergyTM



SunCoke's Cokemaking Business



SunCoke is the largest independent coke supplier in North America

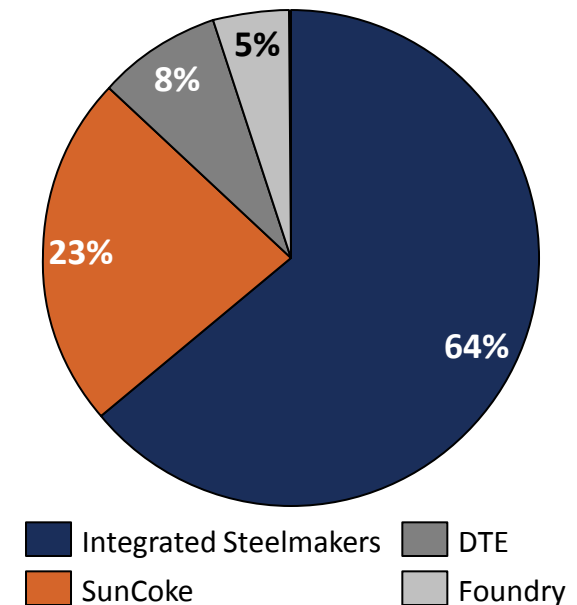
SunCoke is the primary coke supply source at our customers' most strategic blast furnace assets

- Total US cokemaking capacity of 4.2M tons
- Account for ~23% of total coke capacity across six domestic cokemaking facilities
- Supply the three major US integrated steel producers via long-term, take-or-pay ("ToP") contracts

Coke is a critical raw material input for the production of virgin iron & steel

- Acts as a fuel, provides structural support and allows gas to reduce iron in BOF
- Cokemaking requires sophisticated blending & coking techniques
- Quality is crucial to blast furnace performance

Total US & Canada Coke Capacity⁽¹⁾



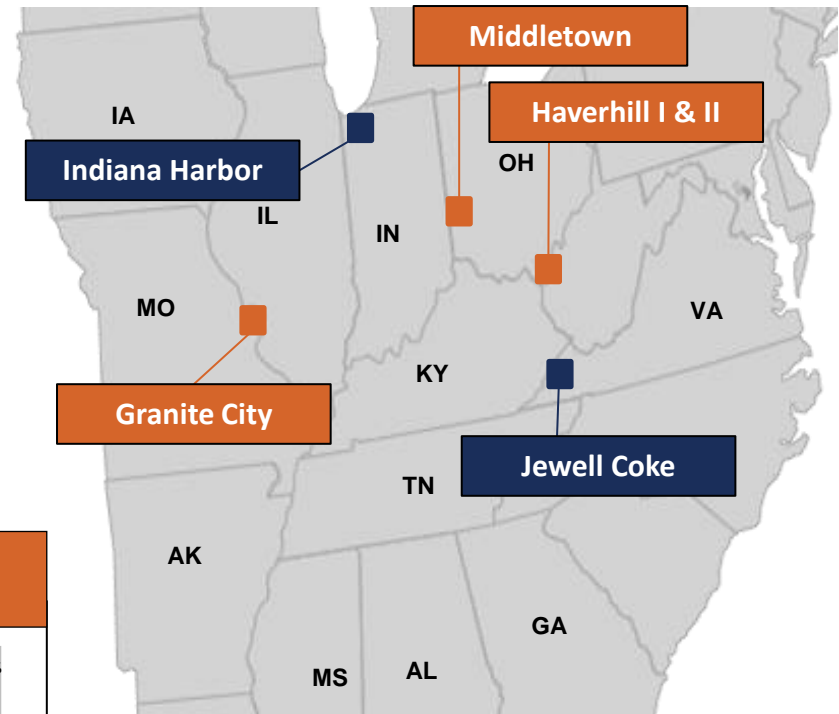
(1) Total active coke capacity expected to be ~18.7M tons in 2015. Comparatively, 2015 consumption of imported coke projected to be 685K tons (~14K imported into the US and 671K into Canada).

Industry Leading Network of Assets

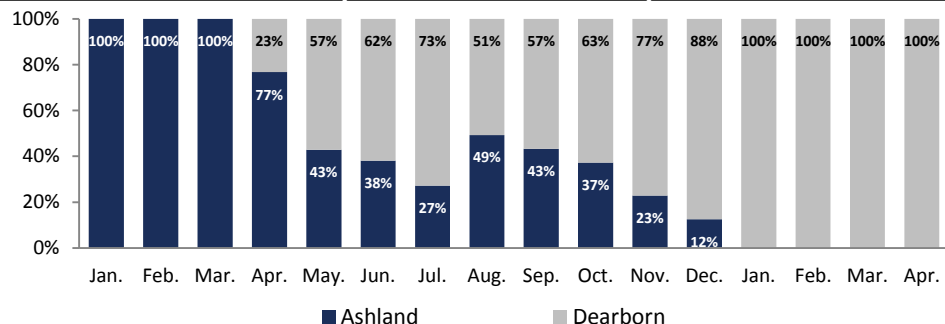
Portfolio of assets provide flexibility to efficiently meet our customers' blast furnace coke needs

Network of strategically located cokemaking assets

- Provides flexibility in transporting coke to multiple customer blast furnace facilities to meet their demand needs
- Ability to divert coke shipments across asset base
 - Haverhill shifting coke to AKS Dearborn BF
 - Granite City piloting shipments to US Steel's Gary Works facility



Redirected Haverhill Coke for AK Steel (2015 and YTD 2016)



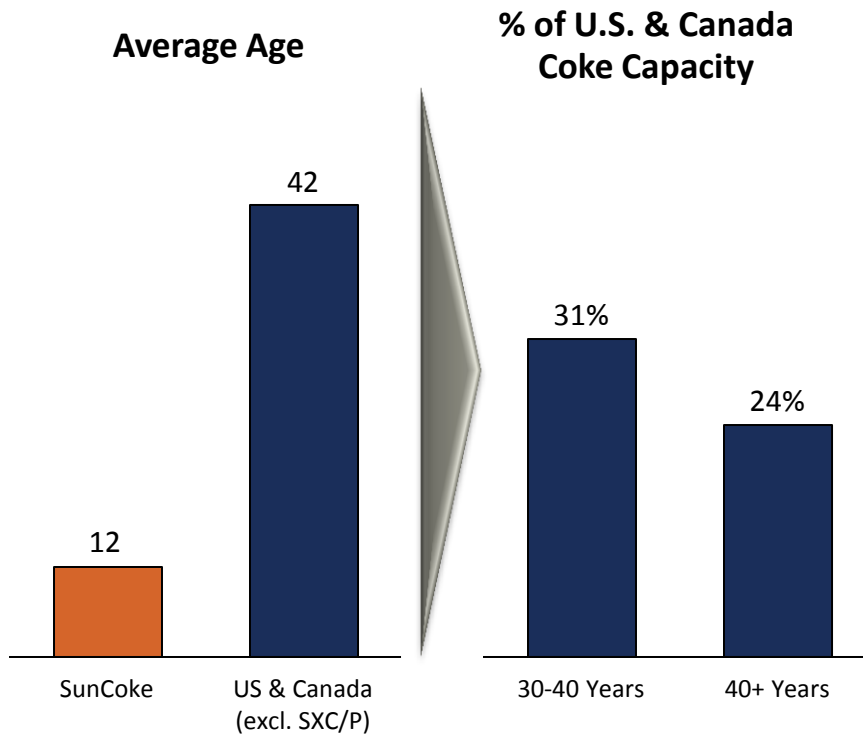
 SXCP
 SXC

The Cokemaking Opportunity



Expect aging by-product battery closures will continue, allowing SunCoke's heat recovery technology to take additional market share

Aging Cokemaking Facilities



~55% of coke capacity is at facilities >30 years old

Recent Coke Battery Rationalization

- AK Ashland closed (2010) and resulted in long-term, take-or-pay contracts with SunCoke at Middletown and Haverhill
- In last two years, nearly 2,500K tons of additional closures announced:
 - USS Gary Works (1,200k)
 - USS Granite City (500k)
 - AM Dofasco (455k)
 - DTE Shenango (320k)
- In addition, expect additional ~2,000k tons of cokemaking capacity is at risk in next five years

SunCoke's Leading Technology



Our industry-leading cokemaking technology sets U.S. EPA MACT standards and makes larger, stronger coke

Industry-leading environmental signature

- Leverage negative pressure to substantially reduce emissions
- Convert waste heat into steam and electrical power
- Generate about 9 MW of electric power per 110,000 tons of annual coke production

Only company to have constructed US greenfield coke facility in last 25 years

- Only North American coke producer that utilizes heat recovery technology in cokemaking process

SunCoke's Heat Recovery Cokemaking Technology

Negative Pressure Ovens

- Minimal fugitive emissions
- MACT standard for new batteries

Cogeneration potential (steam or electricity)

- More fungible by-product (power)

No wall pressure limitations on coal blend

Higher turndown flexibility

Higher CSR coke quality

Lower capital cost and simpler operation

By-Product Cokemaking Technology

Positive Pressure Ovens

- No air leaks into oven results in higher coal-to-coke yields

By-product use and value

- Makes coke oven gas for steelmaking

No volatile matter limitations on coal blend

Smaller oven footprint for new and replacement ovens

High comfort level with >100 years of operating experience

Natural gas pricing hedge

Strategic Customer Relationships



| Customer | Asset Supported | Primary Product Lines | Comments |
|---|--|--|--|
|  |  <i>Middletown</i> | <i>Auto</i> | <ul style="list-style-type: none">• Encouraged by improvement in recent results• Despite recent temporary BF idling at Ashland, continue to perform under contract & divert coke to Dearborn facility• Continuing to invest in high value-added steels for US & global markets |
| |  <i>Ashland</i> | <i>Auto</i> | |
| |  <i>Dearborn</i> | <i>Auto</i> | |
|  |  <i>Indiana Harbor</i> | <i>Auto</i> | <ul style="list-style-type: none">• Support largest BF in western hemisphere (Indiana Harbor BF #7)• Recent BF investments include \$90M Indiana Harbor reline in 2014 and \$64M Cleveland reline in 2013 |
| |  <i>Cleveland</i> | <i>Auto</i> | |
|  |  <i>Granite City</i> | <i>Construction / Energy</i> | <ul style="list-style-type: none">• Recently shuttered internal coke capacity at Granite City and Gary• Despite recent temporary BF idling at Granite City, continue to perform under contract & divert coke to Gary |
| |  <i>Gary</i> | <i>Auto / Construction / Appliance</i> | |

Source: Company websites, news publications

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Take-or-Pay Contract Structure



Long-term, take-or-pay contracts generate stable cash flow and insulate business from industry cyclical

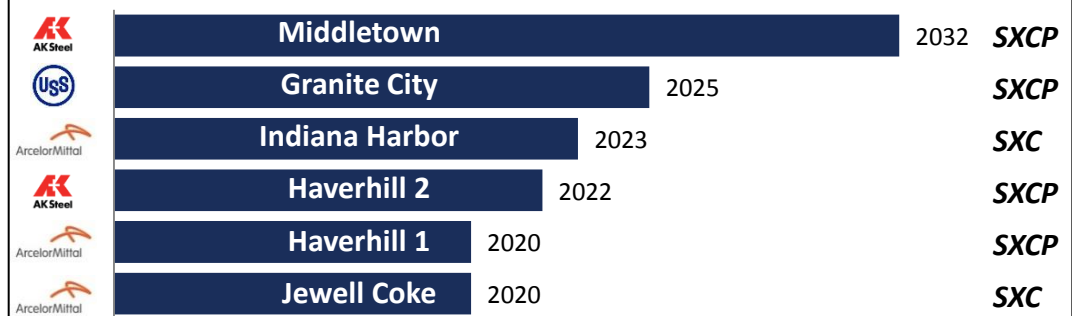
Key Contract Provisions/Terms

| | |
|-------------------------------|--------------------|
| Fixed Fee | ✓ |
| Take-or-Pay | ✓ |
| Termination Provisions | ✓/✗ ⁽¹⁾ |
| Contract Duration | 15 – 20 years |
| Avg. Remaining Contract Life | 9 years |
| Pass-through provisions: | |
| Cost of Coal | ✓ |
| Coal Blending & Transport | ✓ |
| Operating & Maintenance Costs | ✓ |
| Taxes (ex. Income Taxes) | ✓ |
| Changes in Regulation | ✓ |

Contract Value Propositions

- Customers required to **take all coke** we produce up to contract max.
- **Long-term, take-or-pay** nature provides **stability** during market & industry downturns
- **Commodity risk minimized** by passing through coal, transportation & certain operating costs to customer
- **No early termination** without default, except one contract under limited circumstances⁽¹⁾
- **Counterparty risk mitigated** by contracting with customers' respective parent companies

Coke Contract Duration

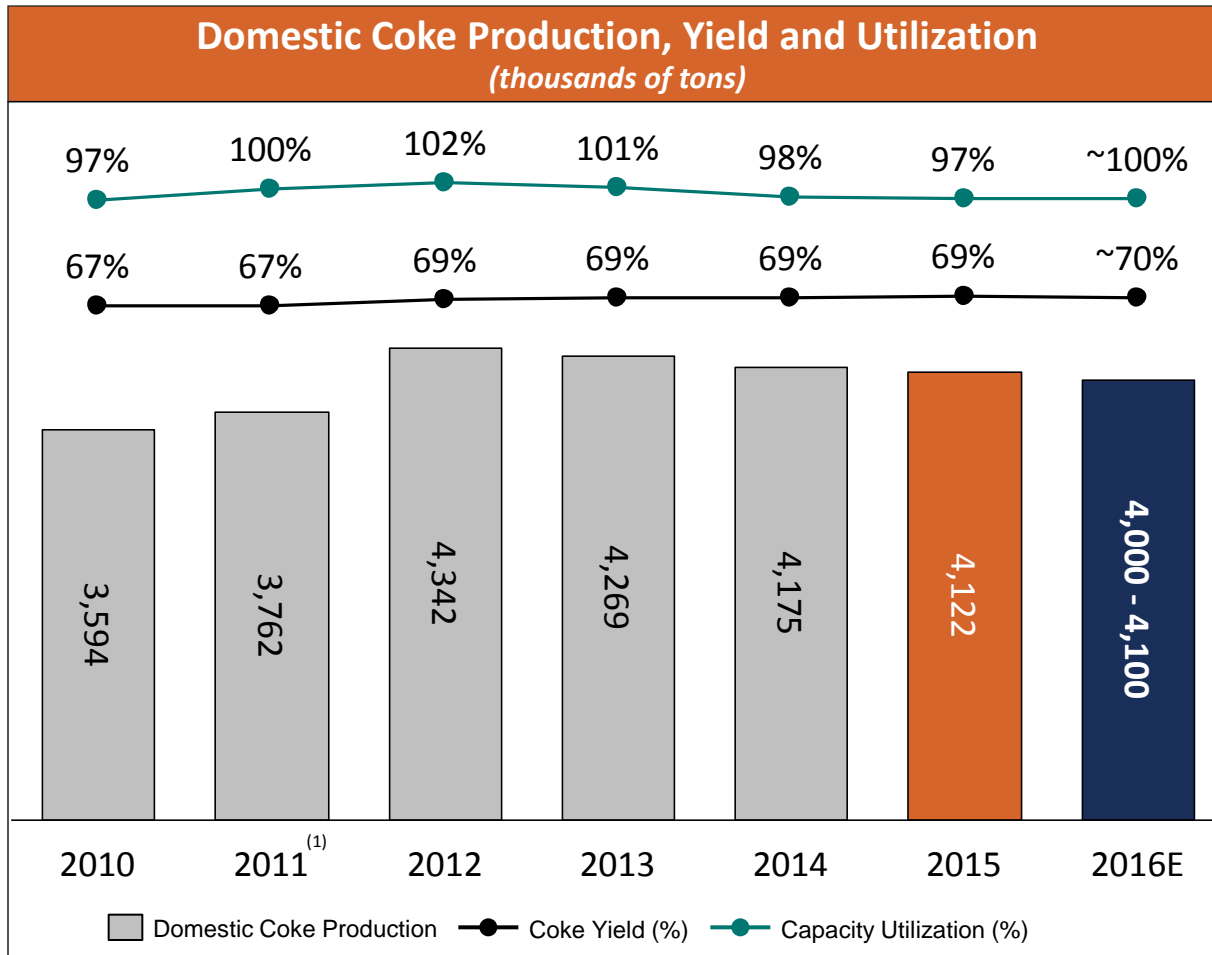


(1) AK Steel contract at Haverhill 2 has termination right only with permanent closure of blast furnace steelmaking at their Ashland, KY facility and no replacement production elsewhere. AK must also provide 2-year notice.

Domestic Coke Production & Yield



Steady production and yield performance across Domestic Coke assets; expect continued stability in 2016



Operational performance remains consistent across fleet

Delivered strong capacity utilization and steady coke yields

Expect 2016 total domestic coke production of 4.0Mt to 4.1Mt

(1) Middletown cokemaking facility commenced operations in October 2011.
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COAL LOGISTICS BUSINESS



SunCoke EnergyTM



Coal Logistics business represents a natural vertical integration platform which broadens our customer base



SXCP's Coal Logistics Portfolio

- Ceredo Coal Terminal
- Quincy Coal Terminal
- Kentucky Coal Terminal
- Lake Coal Terminal
- Convent Marine Terminal

Platform for Growth

Strategically located assets with access to barge, rail and truck

Experienced management team capable of driving growth

Broadening customer base diversifies credit and market risk

Despite industry pressures, 2016 outlook remains stable at \$15 – \$20 million combined Adjusted EBITDA

Kanawha River Terminal (KRT)

- Locations on Ohio River system well positioned to serve coal miners, power companies and steelmakers
- 30 million tons of annual capacity through three docks, as well as a liquid storage facility
- >10 customers
- Continue to handle mix of both metallurgical and thermal coals
- Acquired October 2013

Lake Terminal

- Coal unloading, storage and blending facility adjacent to SunCoke's Indiana Harbor facility
- 10-year, take-or-pay contract with Indiana Harbor to provide all coal handling services required for the coke plant
- Cost of services passed through to ArcelorMittal via Indiana Harbor coke purchase agreement
- Acquired August 2013

Convent Marine Terminal (CMT)



Provides excellent fit with long-term growth strategy and aligns with existing SXCP core competencies

Asset Overview

- **Large, efficient, well-capitalized** Gulf Coast export terminal in Convent, Louisiana
- **Strategically located**; only terminal on lower Mississippi with direct rail access and Panamax capability
- **Expanded throughput capacity ~15Mt** annually with ~1Mt ground storage capacity
- **Modern facility** with recent **\$120M capital investment⁽¹⁾** to further enhance efficiencies
- **Attractive long-term, take-or-pay contracts** with best-in-class coal producers
- Acquired August 2015

Lowest Cost ILB Coal Producer Base

Foresight Energy, LLC

- Among lowest-cost coal ILB coal producers
- Highly efficient longwall miner



Murray Energy Corporation⁽²⁾

- Largest privately-owned US coal mining company
- Among lowest-cost ILB coal producers
- Diversified across NAPP, ILB and Uinta Basins



Advantaged Contract Structure

| | |
|---------------------------|--------------------|
| Contract Terms | Thru 2022 |
| Total Take-or-Pay Volume | 10Mtpa |
| Annual Contract Escalator | ✓ |
| Termination Rights | None |
| Force Majeure | Typical Provisions |

(1) Remaining \$20M to be spend as part of pre-funded CapEx project.

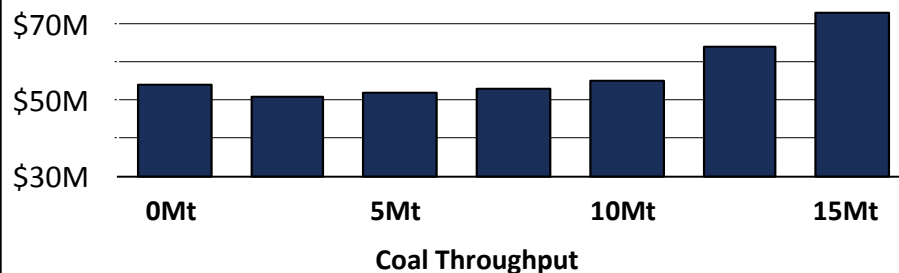
(2) Contract with Murray American Coal Inc., a subsidiary of Murray Energy Corporation.

CMT positioned to withstand coal downturn as take-or-pay contract structure supports stable 2016 outlook

2016 Outlook

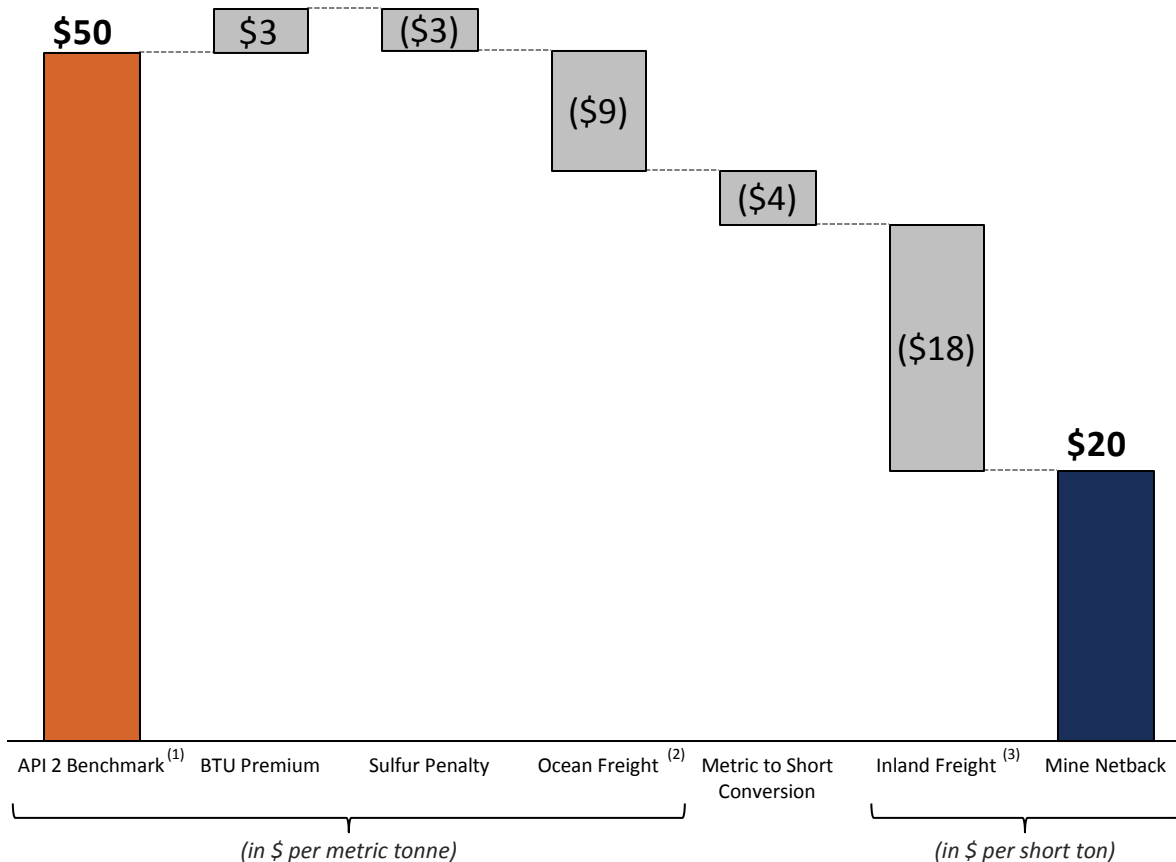
- Take-or-pay contracts provide annual Adjusted EBITDA floor of ~\$50M
- 2016 guidance of \$50M – \$55M
 - Estimated throughput of 6.5Mt
 - Expect lower ancillary revenue per ton due to absence of value-added services historically provided
 - Excludes opportunistic spot business

2016 Adj. EBITDA Sensitivity Analysis



Export Coal Market Netback

Despite prolonged decline in API 2 benchmark prices, CMT customers have vested interest in maintaining viable export platform



(1) Netback calculation example assuming \$50 per metric tonne API 2 benchmark.

(2) Ocean Freight for 70,000 metric tonne US Gulf/ARA Coal Panamax freight.

(3) Consists of CN rail transportation from ILB coal mines to CMT and terminal transloading costs.

Domestic Coal Producers

- Exports augment domestic sales volume
 - Low cost mines operating at peak utilization & optimum cost
 - Forcing additional tons into domestic market likely to reduce prices
 - Expect European thermal coal demand to remain stable
- CMT customers have take-or-pay obligations with rail & terminal
 - Further support export volumes, even when API 2 prices weak

SXC FINANCIALS AND 2016 PRIORITIES



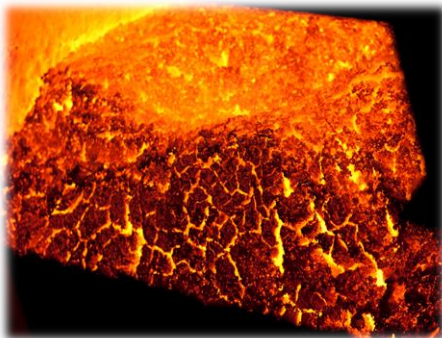
SunCoke EnergyTM

Q1 2016 Accomplishments



- ✓ Achieved solid safety, environmental and operating performance across coke and coal logistics fleet

- ✓ Realized cost improvement at Indiana Harbor; continuing efforts to stabilize plant operations



- ✓ Supported ~\$53M of face value bond repurchases at SXCP during Q1

- ✓ Executed sale of coal mining business to simplify structure and reduce ongoing costs



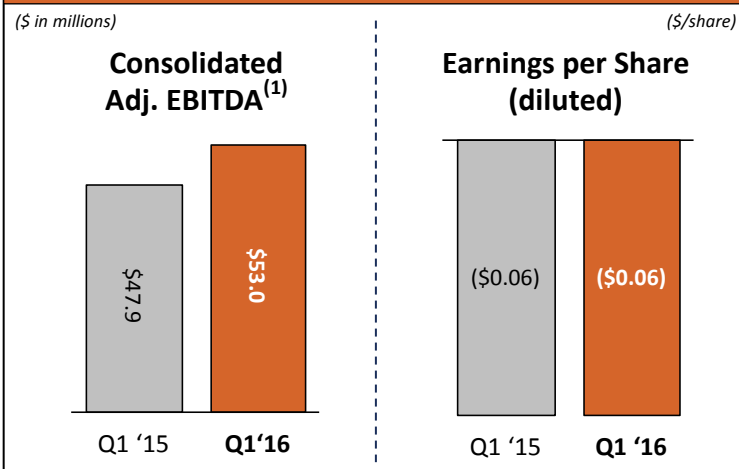
- ✓ Reaffirmed FY 2016 Consolidated Adjusted EBITDA⁽¹⁾ guidance of \$210M – \$235M

(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

Q1 2016 Overview



Q1 2016 Earnings Overview



Consolidated Adj. EBITDA⁽¹⁾ up \$5.1M vs. Q1 '15 primarily due to

- Benefit of Convent acquisition
- Improved performance at IHO, driven largely by disciplined cost management

Q1 '16 EPS of (\$0.06) includes

- Contribution from CMT and improved Indiana Harbor performance
- Gain related to SXCP's bond repurchases
- Offset by \$10.7M asset impairment on coal mining business and higher NCI

| (\$ in millions, except volumes) | Q1'16 | Q1'15 | Q1'16 vs. Q1'15 |
|--|----------|---------|-----------------|
| Domestic Coke Sales Volumes | 1,000 | 950 | 50 |
| Coal Logistics Volumes ⁽²⁾ | 4,315 | 3,794 | 521 |
| Coke Adj. EBITDA ⁽³⁾ | \$56.6 | \$56.8 | (\$0.2) |
| Coal Logistics Adj. EBITDA | \$15.1 | \$2.6 | \$12.5 |
| Coal Mining Adj. EBITDA | (\$4.1) | (\$3.1) | (\$1.0) |
| Corporate and Other, including Legacy Costs ⁽⁴⁾ | (\$14.6) | (\$8.4) | (\$6.2) |
| Adjusted EBITDA (Consolidated) ⁽¹⁾ | \$53.0 | \$47.9 | \$5.1 |

(1) For a definition and reconciliation of Adjusted EBITDA, please see appendix.

(2) Coal Logistics volumes during Q1 2016 include volumes from Convent Marine Terminal.

(3) Coke Adjusted EBITDA includes Domestic Coke and Brazil Coke.

(4) Q1 2015 Legacy Costs included a \$4.0M OPEB curtailment gain.

2016 Outlook



On-track to achieve FY 2016 Guidance; updated production and Adj. EBITDA/ton outlook to reflect Q1 developments

| Metric | 2015 Results | 2016 Original Guidance | 2016 Update |
|--------------------------------------|-------------------------|------------------------|-------------------|
| Adjusted EBITDA⁽¹⁾ | | | |
| Consolidated | \$185.8M ⁽³⁾ | \$210M – \$235M | \$210M – \$235M |
| Attrib. to SXC | \$104.6M | \$105M – \$124M | \$105M – \$124M |
| Capital Expenditures | \$76M | ~\$45M | ~\$45M |
| Domestic Coke Production | 4.1 Mt | ~4.1 Mt | 4.0 Mt – 4.1 Mt |
| Dom. Coke Adj. EBITDA / ton | \$51 / ton | \$50 – \$55 / ton | \$48 – \$53 / ton |
| Operating Cash Flow | \$141.1M | \$150M – \$170M | \$150M – \$170M |
| Cash Taxes⁽²⁾ | \$2M | \$4M – \$9M | \$4M – \$9M |

(1) For a definition and reconciliation of 2015 and 2016E Adjusted EBITDA, please see appendix.

(2) Included in Operating Cash Flow.

(3) Revised 2015 guidance included ~\$20M related to the Convent acquisition. Actual Convent contribution during FY 2015 was \$21.0 million.



Manage Through Challenging Market Conditions

- Remain flexible & responsive to industry backdrop while leveraging unique value proposition

Stabilize Indiana Harbor Cokemaking Operations

- Improve profitability by executing oven rebuilds and reducing O&M costs

Deliver Operations Excellence

- Drive strong operational & safety performance across our fleet

Achieve Financial Objectives & Strengthen Balance Sheet

- Deliver \$210M – \$235M Consol. Adj. EBITDA guidance & execute de-levering strategy

SXCP FINANCIALS AND 2016 PRIORITIES



Q1 2016 Accomplishments



✓ Achieved strong safety, environmental and operating performance across coke and coal logistics fleet



✓ Reduced leverage by repurchasing ~\$53M of face value bonds during Q1; repurchased ~\$100M total in last six months

✓ Declared Q1 '16 quarterly distribution of \$0.5940/unit

✓ Remained flexible and responsive to evolving industry backdrop



✓ Reaffirmed FY 2016 Adjusted EBITDA attributable to SXCP⁽¹⁾ guidance of \$207M – \$217M and Distributable Cash Flow⁽¹⁾ guidance of \$158M – \$172M

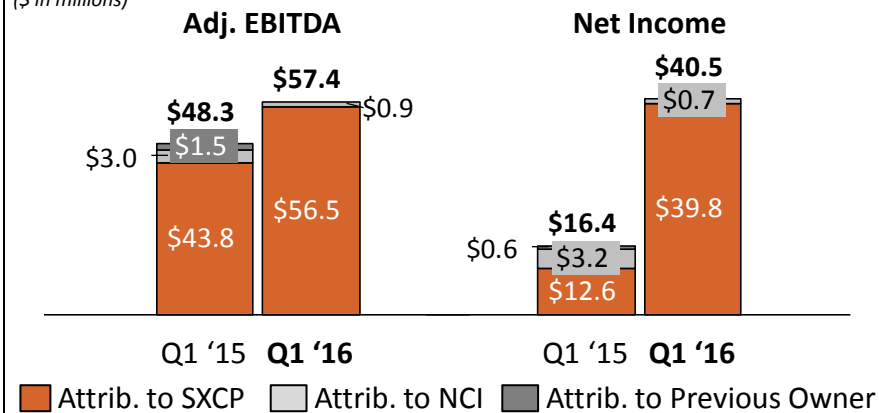
(1) For a definition and reconciliation of Adjusted EBITDA attributable to SXCP and Distributable Cash Flow, please see appendix.

Q1 2016 Overview



Adjusted EBITDA & Net Income⁽¹⁾

(\$ in millions)



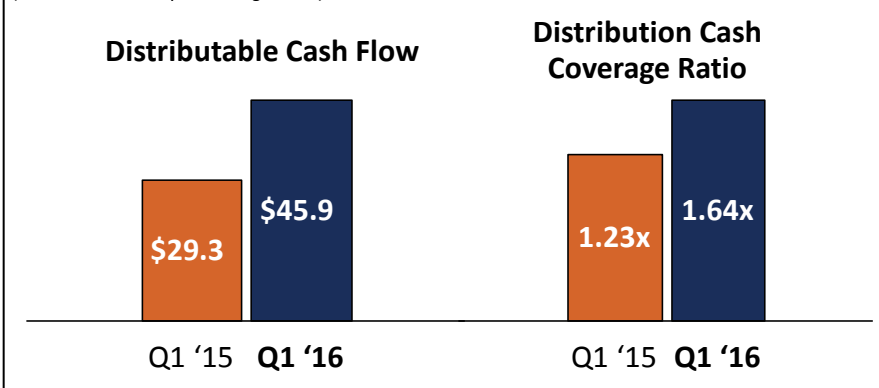
Total Adj. EBITDA up \$9.1M due to benefit of Convent acquisition

- Adjusted EBITDA attributable to SXCP up \$12.7M to \$56.5M

Total net income of \$40.5M up \$24.1M vs. Q1 '15 due largely to gain from debt repurchases

Distributable Cash Flow & Coverage Ratio⁽¹⁾

(\$ in millions, except coverage ratio)



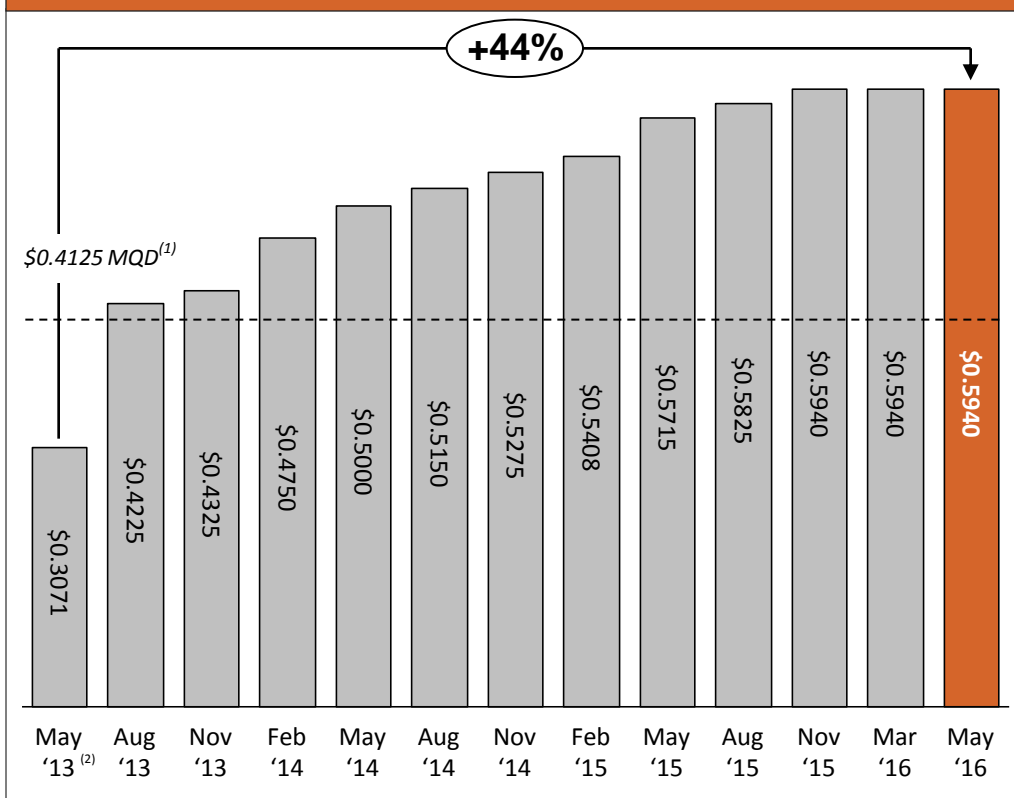
Q1 '16 distributable cash flow up \$16.6M to \$45.9M

- Includes \$7M corporate cost holiday
- Strong 1.64x distribution cash coverage ratio

(1) For a definition and reconciliation of Adjusted EBITDA, Distributable Cash Flow and Distribution Cash Coverage Ratio, please see appendix.

SXCP capital allocation outlook prioritizes de-levering while maintaining distributions to unitholders

SXCP Distribution Growth



Declared quarterly cash distribution of \$0.5940 per unit

Expect to continue meaningfully de-levering for balance of 2016

SXC will provide modified sponsor support in Q2 '16

- SXC providing 1-year payment deferral on corporate cost allocation reimbursement and IDR payments
- Expect to maintain healthy coverage throughout repayment period

Plan to evaluate capital allocation & distribution priorities quarterly

(1) MQD – Minimum quarterly distribution.

(2) Actual distribution pro-rated to reflect timing of SXCP IPO.

2016 Outlook



Reaffirm FY 2016 guidance for Adj. EBITDA attributable to SXCP of \$207M – \$217M and distributable cash flow of \$158M – \$172M

| (\$ in millions, except per unit data) | 2015 Results | | 2016 Outlook | |
|---|--------------|-------------------------|--------------|---------------------|
| | | | As Reported | |
| | As Reported | Proforma ⁽¹⁾ | Low | High ⁽²⁾ |
| Adjusted EBITDA attributable to SXCP | \$192 | \$204 | \$207 | \$217 |
| Plus: | | | | |
| Corporate cost holiday/deferral ⁽³⁾ | \$0 | \$0 | \$28 | \$28 |
| Less: | | | | |
| Ongoing capex (SXCP share) | \$20 | \$21 | \$15 | \$15 |
| Replacement capex accrual | 7 | 7 | 8 | 8 |
| Cash tax accrual ⁽⁴⁾ | 0 | 0 | 1 | 1 |
| Cash interest accrual | 47 | 49 | 53 | 49 |
| Estimated distributable cash flow | \$117 | \$126 | \$158 | \$172 |
| Estimated distributions⁽⁵⁾ | \$110 | \$106 | \$112 | \$112 |
| Total distribution cash coverage ratio⁽⁶⁾ | 1.06x | 1.19x | 1.41x | 1.54x |

2016 objective to de-lever with ≥\$60M excess cash

Will continue to evaluate corporate cost / IDR payment structure and distributions each quarter based on

- Current market & customer conditions
- Underlying business performance
- De-levering opportunities

- (1) Proforma assumes dropdown of 75% in Granite City occurred January 1, 2015. For Q2, assumes distributions were not paid to units issued in conjunction with the Convent Marine Terminal acquisition and dropdown of 23% in Granite City closed August 12, 2015. For Q3, assumes the Convent Marine Terminal transaction and dropdown of 23% in Granite City were completed on July 1, 2015 and Convent contributes pro-rata, annualized EBITDA.
- (2) Cash interest accrual assumes excess cash used to repurchase SXCP Sr. Notes periodically throughout 2016 at ~\$0.70 per \$1.00 face value.
- (3) Represents SXC corporate cost reimbursement holiday/deferral for FY 2016. Actual capital allocation and distribution decisions to be made quarterly.
- (4) Cash tax impact from the operations of Gateway Cogeneration Company LLC, which is an entity subject to income taxes for federal and state purposes at the corporate level.
- (5) Assumes full year benefit of SXC IDR giveback and distributions held constant at \$0.5940 per quarter. Actual capital allocation and distributions decisions to be made quarterly.
- (6) Total distribution cash coverage ratio is estimated distributable cash flow divided by total estimated distributions.

Manage Through Challenging Market Conditions

- Remain flexible & responsive to industry backdrop while leveraging unique value proposition

Optimize Cokemaking and Coal Logistics Asset Base

- Continue to seek opportunities to drive incremental coke & coal logistics volumes

Deliver Operations Excellence

- Drive strong operational & safety performance across our fleet

Achieve Financial Objectives & Strengthen Balance Sheet

- Deliver \$207M – \$217M Adj. EBITDA guidance & execute de-levering strategy

APPENDIX



SunCoke EnergyTM



- **Adjusted EBITDA** represents earnings before interest, (gain) loss on extinguishment of debt, taxes, depreciation and amortization, adjusted for Coal Logistics deferred revenue and changes to our contingent consideration liability related to our acquisition of the CMT. Coal Logistics deferred revenue adjusts for coal and liquid tons the Partnership did not handle, but are included in Adjusted EBITDA as the associated take-or-pay fees are billed to the customer. Deferred revenue on take-or-pay contracts is recognized into GAAP income annually based on the terms of the contract. Adjusted EBITDA does not represent and should not be considered an alternative 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 and liquidity of the Partnership's net assets and its ability to incur and service debt, fund capital expenditures and make distributions. Adjusted EBITDA 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 and liquidity. EBITDA and Adjusted EBITDA are not measures calculated in accordance with GAAP, and they should not be considered an alternative to net income, operating cash flow or any other measure of financial performance presented in accordance with GAAP.
- **EBITDA** represents earnings before interest, taxes, depreciation and amortization.
- **Adjusted EBITDA attributable to SXC/SXCP** represents Adjusted EBITDA less Adjusted EBITDA attributable to noncontrolling interests.
- **Adjusted EBITDA/Ton** represents Adjusted EBITDA divided by tons sold/handled.
- **Non recurring Coal Rationalization Costs** include employee severance, contract termination costs and other one-time costs to idle mines incurred during the execution of our coal rationalization plan.
- **Legacy Costs** include royalty revenues, costs associated with former mining employee-related liabilities prior to the implementation of our current contractor mining business.

- **Distributable Cash Flow** equals Adjusted EBITDA less net cash paid for interest expense, ongoing capital expenditures, accruals for replacement capital expenditures, and cash distributions to noncontrolling interests; plus amounts received under the Omnibus Agreement and acquisition expenses deemed to be Expansion Capital under our Partnership Agreement. Distributable Cash Flow is a non-GAAP supplemental financial measure that management and external users of SXCP's financial statements, such as industry analysts, investors, lenders and rating agencies use to assess:
 - SXCP's operating performance as compared to other publicly traded partnerships, without regard to historical cost basis;
 - the ability of SXCP's assets to generate sufficient cash flow to make distributions to SXCP's unitholders;
 - SXCP's ability to incur and service debt and fund capital expenditures; and
 - the viability of acquisitions and other capital expenditure projects and the returns on investment of various investment opportunities.

We believe that Distributable Cash Flow provides useful information to investors in assessing SXCP's financial condition and results of operations. Distributable Cash Flow should not be considered an alternative to net income, operating income, cash flows from operating activities, or any other measure of financial performance or liquidity presented in accordance with generally accepted accounting principles (GAAP). Distributable Cash Flow has important limitations as an analytical tool because it excludes some, but not all, items that affect net income and net cash provided by operating activities and used in investing activities. Additionally, because Distributable Cash Flow may be defined differently by other companies in the industry, our definition of Distributable Cash Flow may not be comparable to similarly titled measures of other companies, thereby diminishing its utility.

- **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.

Reconciliation to Adjusted EBITDA



| (\$ in millions) | Q1 '16 | FY '15 | Q4 '15 | Q3 '15 | Q2 '15 | Q1 '15 | FY '14 |
|---|--------|---------|--------|----------|---------|--------|-----------|
| Net cash provided by Operating activities | \$29.4 | \$141.1 | \$58.1 | \$6.4 | \$65.5 | \$11.1 | \$112.3 |
| Depreciation, depletion and amortization expense | 28.2 | 109.1 | 33.3 | 25.6 | 26.4 | 23.8 | 106.3 |
| (Gain) / loss on extinguishment of debt | (20.4) | 0.5 | (8.9) | - | - | 9.4 | 15.4 |
| Asset and goodwill impairment | 10.7 | - | - | - | - | - | 150.3 |
| Deferred income tax expense / (benefit) | 3.2 | (5.6) | (12.5) | 8.0 | (4.2) | 3.1 | (64.4) |
| Changes in working capital and other | (4.9) | 26.8 | 13.3 | (10.7) | 49.8 | (25.6) | 6.5 |
| Net Income / (Loss) | \$12.6 | \$10.3 | \$32.9 | (\$16.5) | (\$6.5) | \$0.4 | (\$101.8) |
| Depreciation, depletion and amortization expense | 28.2 | 109.1 | 33.3 | 25.6 | 26.4 | 23.8 | 106.3 |
| Interest expense, net | 14.0 | 56.2 | 14.7 | 14.6 | 13.0 | 13.9 | 47.8 |
| (Gain) / loss on extinguishment of debt | (20.4) | 0.5 | (8.9) | - | - | 9.4 | 15.4 |
| Income tax expense / (benefit) | 3.3 | (8.8) | (13.9) | 4.8 | (0.8) | 1.1 | (58.8) |
| Asset and goodwill impairment | 10.7 | - | - | - | - | - | 150.3 |
| Coal rationalization expense / (income) ⁽¹⁾ | (0.9) | 0.6 | 0.2 | 0.8 | 0.6 | (1.0) | 18.5 |
| Sales discounts ⁽²⁾ | - | - | - | - | - | - | (0.5) |
| Coal Logistics deferred revenue ⁽³⁾ | 9.2 | (2.9) | (4.0) | 1.1 | - | - | - |
| Reduction of contingent consideration ⁽⁴⁾ | (3.7) | - | - | - | - | - | - |
| Adjustment to unconsolidated affiliate earnings ⁽⁵⁾ | - | 20.8 | - | 19.8 | 0.7 | 0.3 | 33.5 |
| Adjusted EBITDA (Consolidated) | \$53.0 | \$185.8 | \$54.3 | \$50.2 | \$33.4 | \$47.9 | \$210.7 |
| Adjusted EBITDA attributable to noncontrolling interests ⁽⁶⁾ | (24.3) | (81.2) | (24.9) | (20.1) | (18.1) | (18.1) | (60.7) |
| Adjusted EBITDA attributable to SXC | \$28.7 | \$104.6 | \$29.4 | \$30.1 | \$15.3 | \$29.8 | \$150.0 |

(1) Coal rationalization expense/income includes employee severance, contract termination costs and other one-time items incurred to idle mines during the execution of our coal rationalization plan.

(2) At December 31, 2013, we had \$13.6 million accrued related to sales discounts to be paid to our customer at our Granite City facility. During the first quarter of 2014, we settled this obligation for \$13.1 million which resulted in a gain of \$0.5 million. The gain was recorded in sales and other operating revenue on our Combined and Consolidated Statement of Income.

(3) Coal Logistics deferred revenue adjusts for coal and liquid tons the Partnership did not handle, but are included in Adjusted EBITDA as the associated take-or-pay fees are billed to the customer. Deferred revenue on take-or-pay contracts is recognized into GAAP income annually based on the terms of the contract.

(4) During the first quarter of 2016, the Partnership amended the threshold to the contingent consideration arrangement with the Cline Group, which reduced the fair value of the contingent consideration from \$7.9 million at December 31, 2015 to \$4.2 million at March 31, 2016. Consequently, a \$3.7 million gain was recognized as a reduction to costs of products sold and operating expenses on the Consolidated Statements of Operations during the three months ended March 31, 2016.

(5) Represents SunCoke's share of India JV interest, taxes and depreciation expense. Includes \$30.5M impairment of our equity method investment in India in Q4 and FY 2014.

(6) Represents Adjusted EBITDA attributable to SXCP public unitholders and DTE Energy's interest in Indiana Harbor.

2016E Guidance Reconciliation



| <i>(\$ in millions)</i> | <u>2016E</u> <u>Low</u> | <u>2016E</u> <u>High</u> |
|---|----------------------------|-----------------------------|
| Net cash provided by Operating activities | \$150 | \$170 |
| Depreciation and amortization expense | 106 | 106 |
| (Gain) / loss on extinguishment of debt | (20) | (27) |
| Asset impairment / loss on sale | 14 | 14 |
| Changes in working capital and other | 6 | 7 |
| Net Income | \$44 | \$70 |
| Depreciation and amortization expense | 106 | 106 |
| Interest expense, net | 62 | 58 |
| (Gain) / loss on extinguishment of debt | (20) | (27) |
| Income tax expense / (benefit) | 6 | 17 |
| Asset impairment / loss on sale | 14 | 14 |
| Coal rationalization expense / (income) ⁽¹⁾ | 2 | 1 |
| Coal Logistics deferred revenue ⁽²⁾ | - | - |
| Reduction of contingent consideration | (4) | (4) |
| Adjusted EBITDA (Consolidated) | \$210 | \$235 |
| Adjusted EBITDA attributable to noncontrolling interests ⁽³⁾ | (105) | (111) |
| Adjusted EBITDA attributable to SXC | \$105 | \$124 |

- (1) Coal rationalization expense/income includes employee severance, contract termination costs and other one-time items incurred to idle mines during the execution of our coal rationalization plan. Also includes anticipated transaction costs associated with our coal mining divestiture.
- (2) Coal Logistics deferred revenue adjusts for coal and liquid tons the Partnership did not handle, but are included in Adjusted EBITDA as the associated take-or-pay fees are billed to the customer. Deferred revenue on take-or-pay contracts is recognized into GAAP income annually based on the terms of the contract.
- (3) Represents Adjusted EBITDA attributable DTE Energy's interest in Indiana Harbor, as well as to SXCP public unitholders. Adjusted EBITDA attributable to SXCP includes a special deduction for the general partner in an amount equal to the corporate cost reimbursement holiday, in this case assuming a \$28 million deduction in 2016. Actual capital allocation decisions to be made quarterly.

Adjusted EBITDA and Distributable Cash Flow Reconciliations



| | As Reported Q1 '15 | As Reported Q2 '15 | As Reported Q3 '15 | As Reported Q4 '15 | As Reported FY '15 | Proforma Q1 '15 ^(1,2) | Proforma Q2 '15 ^(1,3) | Proforma Q3 '15 ^(1,4) | Proforma Q4 '15 ⁽¹⁾ | Proforma FY '15 | As Reported Q1 '16 |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------|--------------------|--------------------------|
| (\$ in millions) | | | | | | | | | | | |
| Net cash provided by operating activities | \$ 29.7 | \$ 42.8 | \$ 15.7 | \$ 61.2 | \$ 149.4 | \$ 29.7 | \$ 42.8 | \$ 24.1 | \$ 61.2 | \$ 157.8 | \$ 40.4 |
| Depreciation and amortization expense | (14.6) | (15.4) | (17.0) | (20.4) | (67.4) | (14.6) | (15.4) | (18.5) | (20.4) | (68.9) | (18.7) |
| Changes in working capital and other | 10.7 | (9.3) | 22.1 | (14.0) | 9.5 | 1.3 | (9.3) | 22.0 | (14.0) | - | (1.6) |
| Gain/(loss) on debt extinguishment | (9.4) | - | - | 10.1 | 0.7 | - | - | - | 10.1 | 10.1 | 20.4 |
| Net income | \$ 16.4 | \$ 18.1 | \$ 20.8 | \$ 36.9 | \$ 92.2 | \$ 16.4 | \$ 18.1 | \$ 27.6 | \$ 36.9 | \$ 99.0 | \$ 40.5 |
| Add: | | | | | | | | | | | |
| Depreciation and amortization expense | 14.6 | 15.4 | 17.0 | 20.4 | 67.4 | 14.6 | 15.4 | 18.5 | 20.4 | 68.9 | 18.7 |
| Interest expense, net | 11.2 | 10.8 | 12.4 | 13.8 | 48.2 | 20.6 | 10.8 | 13.7 | 13.8 | 58.9 | 12.5 |
| Gain/(loss) on debt extinguishment | 9.4 | - | - | (10.1) | (0.7) | - | - | - | (10.1) | (10.1) | (20.4) |
| Income tax expense/(benefit) | (3.3) | 0.4 | 0.5 | (0.1) | (2.5) | (3.3) | 0.4 | 0.5 | (0.1) | (2.5) | 0.6 |
| Coal logistics deferred revenue ⁽⁵⁾ | - | - | 1.1 | (4.0) | (2.9) | - | - | 1.1 | (4.0) | (2.9) | 9.2 |
| Reduction of contingent consideration ⁽⁶⁾ | - | - | - | - | - | - | - | - | - | - | (3.7) |
| Adjusted EBITDA | \$ 48.3 | \$ 44.7 | \$ 51.8 | \$ 56.9 | \$ 201.7 | \$ 48.3 | \$ 44.7 | \$ 61.4 | \$ 56.9 | \$ 211.3 | \$ 57.4 |
| Adjusted EBITDA attributable to NCI | (3.0) | (2.6) | (1.9) | (0.8) | (8.3) | (3.4) | (2.6) | (0.9) | (0.8) | (7.7) | (0.9) |
| Adjusted EBITDA attributable to Previous Owner | (1.5) | - | - | - | (1.5) | - | - | - | - | - | - |
| Adjusted EBITDA attributable to SXCP | \$ 43.8 | \$ 42.1 | \$ 49.9 | \$ 56.1 | \$ 191.9 | \$ 44.9 | \$ 42.1 | \$ 60.5 | \$ 56.1 | \$ 203.6 | \$ 56.5 |
| Plus: | | | | | | | | | | | |
| Corporate cost holiday/deferral ⁽⁷⁾ | - | - | - | - | - | - | - | - | - | - | 7.0 |
| Less: | | | | | | | | | | | |
| Ongoing capex (SXCP share) | (2.7) | (5.8) | (2.9) | (9.0) | (20.4) | (2.7) | (5.8) | (3.7) | (9.0) | (21.2) | (3.0) |
| Replacement capex accrual | (1.7) | (1.8) | (1.8) | (1.9) | (7.2) | (1.8) | (1.8) | (1.8) | (1.9) | (7.3) | (1.9) |
| Cash interest accrual | (10.0) | (10.6) | (13.0) | (13.6) | (47.2) | (10.5) | (10.6) | (14.3) | (13.6) | (49.0) | (12.4) |
| Cash tax accrual | (0.1) | (0.1) | (0.4) | 0.6 | - | (0.1) | (0.1) | (0.4) | 0.6 | - | (0.3) |
| Distributable cash flow | \$ 29.3 | \$ 23.8 | \$ 31.8 | \$ 32.2 | \$ 117.1 | \$ 29.8 | \$ 23.8 | \$ 40.3 | \$ 32.2 | \$ 126.1 | \$ 45.9 |
| Quarterly Cash Distribution | 23.8 | 29.0 | 29.4 | 28.0 | 110.2 | 23.8 | 24.2 | 29.6 | 28.0 | 105.6 | 28.0 |
| Distribution Cash Coverage Ratio⁽⁸⁾ | 1.23x | 0.82x | 1.08x | 1.15x | 1.06x | 1.25x | 0.98x | 1.36x | 1.15x | 1.19x | 1.64x |

Note: Historical periods have been recast to include Granite City operations (previous owner), which are subsequently adjusted out when calculating distributable cash flow.

- (1) Proforma adjustments made for changes in EBITDA and ongoing capex attributable to the partnership, cash interest costs, replacement capital accruals, Corporate cost allocations, distribution levels and units outstanding.
- (2) Proforma assumes dropdown of 75% in Granite City occurred January 1, 2015.
- (3) Proforma assumes distributions were not paid to units issued in conjunction with the Convent Marine Terminal acquisition and dropdown of 23% in Granite City closed August 12, 2015.
- (4) Proforma assumes the Convent Marine Terminal transaction and dropdown of 23% in Granite City were completed on July 1, 2015. Assumes pro-rata, annualized EBITDA contribution from Convent Marine Terminal.
- (5) Coal Logistics deferred revenue adjusts for coal and liquid tons the Partnership did not handle, but are included in Adjusted EBITDA as the associated take-or-pay fees are billed to the customer. Deferred revenue on take-or-pay contracts is recognized into GAAP income annually based on the terms of the contract.
- (6) During the first quarter of 2016, the Partnership amended the threshold to the contingent consideration arrangement with the Cline Group, which reduced the fair value of the contingent consideration from \$7.9 million at December 31, 2015 to \$4.2 million at March 31, 2016. Consequently, a \$3.7 million gain was recognized as a reduction to costs of products sold and operating expenses on the Consolidated Statements of Operations during the three months ended March 31, 2016.
- (7) Represents SXC corporate cost reimbursement holiday/deferral.
- (8) Distribution cash coverage ratio is distributable cash flow divided by total estimated distributions to the limited and general partners.

Expected 2016E EBITDA Reconciliation



| (\$ in millions) | 2016E Low | 2016E High |
|---|--------------|---------------|
| Net Cash Provided by Operating Activities | \$149 | \$163 |
| Depreciation and amortization expense | 74 | 74 |
| (Gain) / Loss on debt extinguishment | (20) | (27) |
| Changes in working capital and other | (7) | (7) |
| Net Income | \$102 | \$123 |
| Depreciation and amortization expense | 74 | 74 |
| Interest expense, net | 57 | 53 |
| (Gain) / Loss on debt extinguishment | (20) | (27) |
| Income tax expense | 1 | 1 |
| Coal Logistics deferred revenue ⁽¹⁾ | - | - |
| Reduction of CMT Contingent Consideration | (4) | (4) |
| Adjusted EBITDA | \$210 | \$220 |
| EBITDA attributable to noncontrolling interest ⁽²⁾ | (3) | (3) |
| Adjusted EBITDA attributable to SXCP | \$207 | \$217 |
| Plus: | | |
| Corporate cost holiday/deferral ⁽³⁾ | 28 | 28 |
| Less: | | |
| Ongoing capex (SXCP share) | (15) | (15) |
| Replacement capex accrual | (8) | (8) |
| Cash interest accrual | (53) | (49) |
| Cash tax accrual ⁽⁴⁾ | (1) | (1) |
| Distributable cash flow | \$158 | \$172 |

- (1) Coal Logistics deferred revenue adjusts for coal and liquid tons the Partnership did not handle, but are included in Adjusted EBITDA as the associated take-or-pay fees are billed to the customer. Deferred revenue on take-or-pay contracts is recognized into GAAP income annually based on the terms of the contract.
- (2) Adjusted EBITDA attributable to noncontrolling interest represents SXCP's 2% interest in Haverhill, Middletown and Granite City cokemaking facilities.
- (3) Represents SXCP corporate cost reimbursement holiday/deferral for FY 2016. Actual capital allocation and distribution decisions to be made quarterly.
- (4) Cash tax impact from the operations of Gateway Cogeneration Company LLC, which is an entity subject to income taxes for federal and state purposes at the corporate level.

Capital Expenditures



2015 CapEx

| <i>(\$ in millions)</i> | <u>SXC</u> | <u>SXCP</u> | <u>Consolidated</u> |
|---|-------------|-------------|---------------------|
| Ongoing ⁽¹⁾ | \$30 | \$21 | \$51 |
| Other | 4 | 0 | 4 |
| Environmental Project | 0 | 21 | 21 |
| Total CapEx (excl. pre-funded Ship loader) | \$34 | \$42 | \$76 |
| <i>Coal Logistics: Ship loader (pre-funded)</i> | <i>\$0</i> | <i>\$5</i> | <i>\$5</i> |

2016 Expected CapEx

| <i>(\$ in millions)</i> | <u>SXC</u> | <u>SXCP</u> | <u>Consolidated</u> |
|---|-------------|-------------|---------------------|
| Ongoing ⁽²⁾ | \$23 | \$15 | \$38 |
| Other | 4 | 0 | 4 |
| Environmental Project | 0 | 3 | 3 |
| Total CapEx (excl. pre-funded Ship loader) | \$27 | \$18 | \$45 |
| <i>Coal Logistics: Ship loader (pre-funded)</i> | <i>\$0</i> | <i>\$12</i> | <i>\$12</i> |

(1) 2015 consolidated includes approximately \$50M in ongoing Coke CapEx and \$1M ongoing Coal Logistics.

(2) 2016 consolidated includes approximately \$34M in ongoing Coke CapEx and \$4M ongoing Coal Logistics.

Balance Sheet & Debt Metrics



| | As of 03/31/2016 | | |
|--|------------------|----------------------|-----------------------------|
| (\$ in millions) | SXC Consolidated | Attributable to SXCP | Balance Attributable to SXC |
| Cash | \$ 112 | \$ 44 | \$ 68 |
| Available Revolver Capacity | 123 | 67 | 56 |
| Total Liquidity | 235 | 111 | 124 |
| Total Debt (Long and Short-term) | 951 | 846 | 105 |
| Net Debt (Total Debt less Cash) | 839 | 802 | 37 |
| FY 2016E Adj. EBITDA Guidance ⁽¹⁾ | 222.5 | 212.0 | 114.5 |
| Gross Debt / FY 2016E Adj. EBITDA | 4.27x | 3.99x | 0.92x |
| Net Debt / FY 2016E Adj. EBITDA | 3.77x | 3.78x | 0.32x |

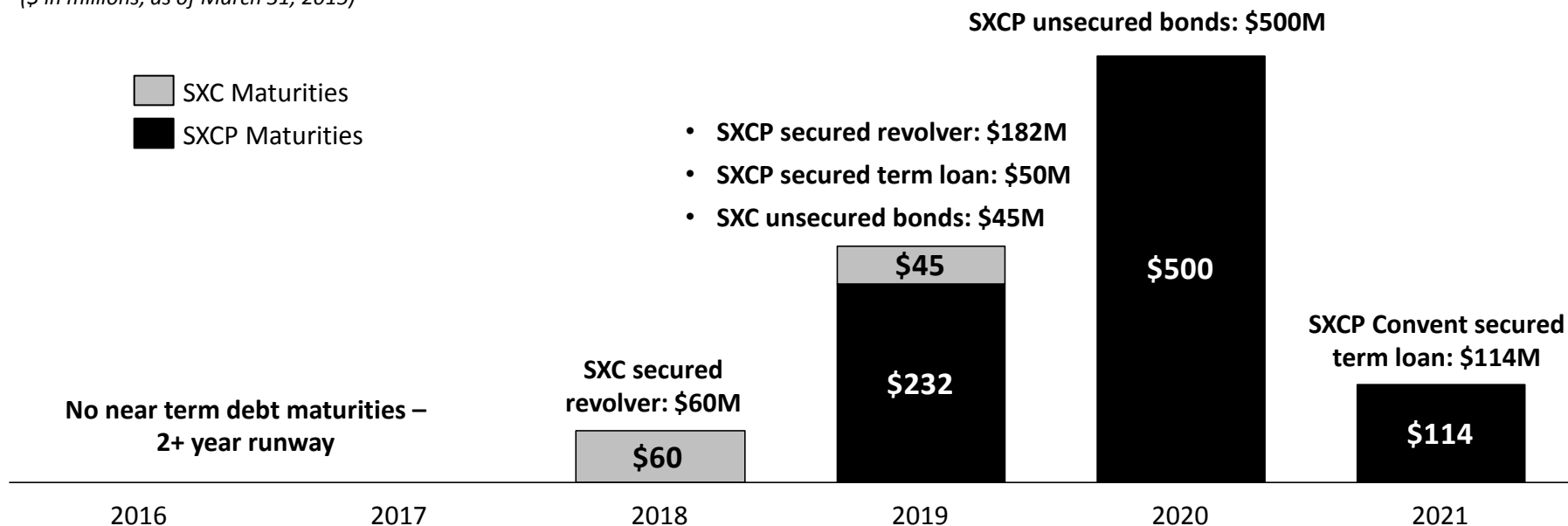
(1) Represents mid-point of FY 2016 guidance for Adjusted EBITDA (Consolidated), Adjusted EBITDA attributable to SXCP, and Adjusted EBITDA attributable to SXC.

Debt Maturity Schedule



Maintain sufficient liquidity position, with no near-term debt maturities

(\$ in millions; as of March 31, 2015)



| | Leverage Covenant | Interest Coverage Covenant |
|-------------|--|-------------------------------|
| SXC | 3.25x Gross Debt/EBITDA | 2.75x Interest Expense/EBITDA |
| SXCP | 4.50x Gross Debt/EBITDA (5.0x acquisition holiday until June '16) | 2.50x Interest Expense/EBITDA |