

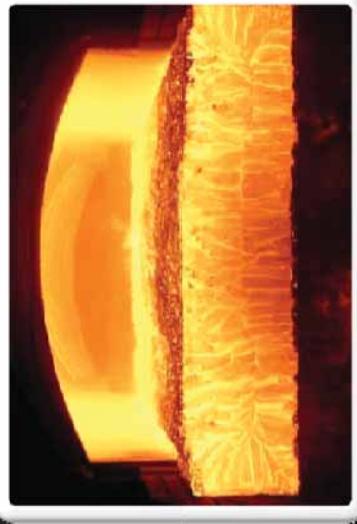
# Jeffrey S. Wozek

## The Coal Institute

July 13<sup>th</sup>, 2015

SunCoke Energy™

**SXCP™**



# Forward-Looking Statements

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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 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," "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.

# COKE MARKET OVERVIEW AND SUNCOKE'S COKEMAKING TECHNOLOGY



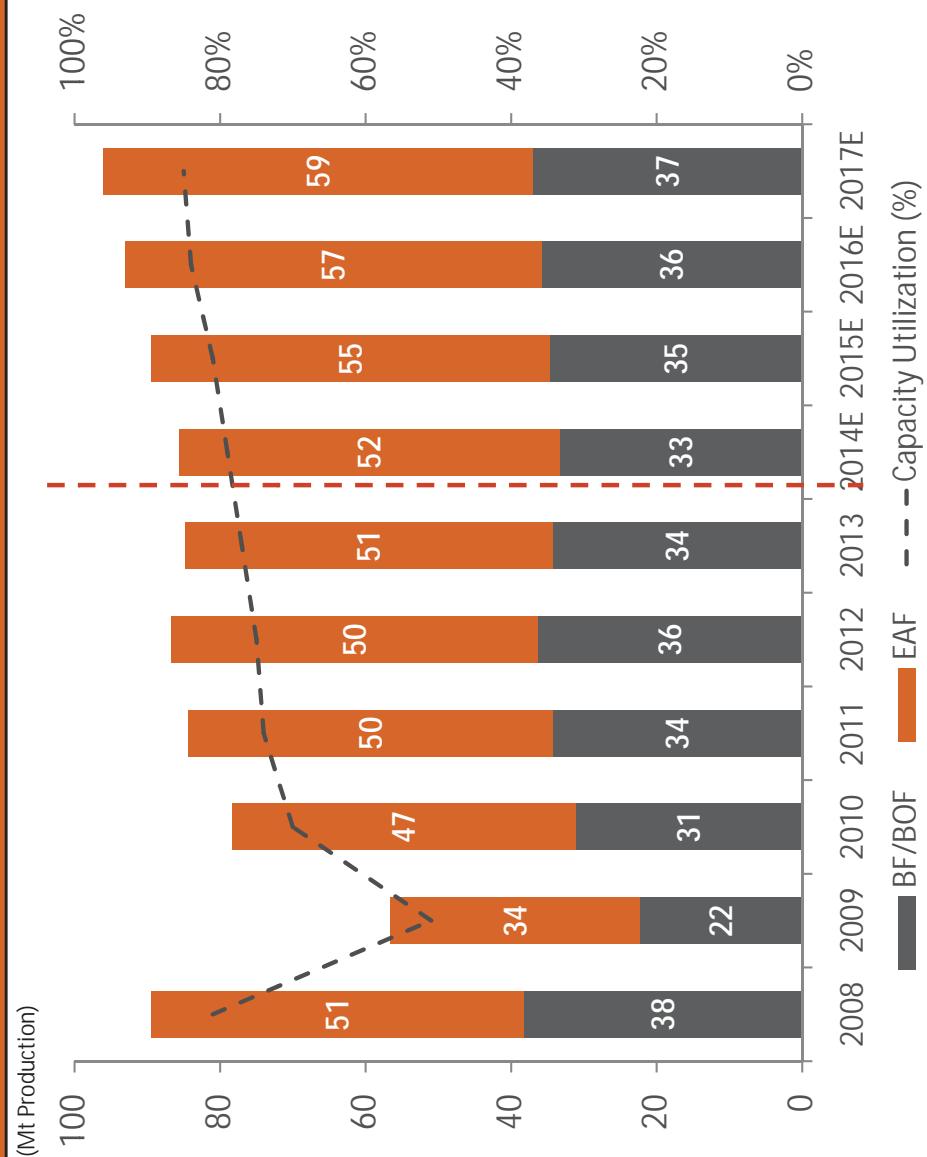
SunCoke Energy<sup>TM</sup>

SxCP<sup>TM</sup>

# Coke Market Dynamics

Expect stable coke demand on rebounding steel production

## Domestic Steel Production & Capacity Utilization



Source: ASI, CRU, Internal Company Analysis

## Industry Outlook

- Stable BF/BOF production outlook driven by automotive & construction
  - Expected stable coke utilization rates implies U.S. coke demand of 14M – 17M tons/year
- EAF market share anticipated to increase with overall demand growth
- Current Domestic BF/BOF Capacity Utilization Rate ~ 73%

# Blast Furnaces and Coke



## Best in Class (lbs/st)

Iron Burden	Iron Ore/Pellets Scrap	3,100 198
Flux	Limestone	30
Fuel	Coke	600

## Best in Class (lbs/st)

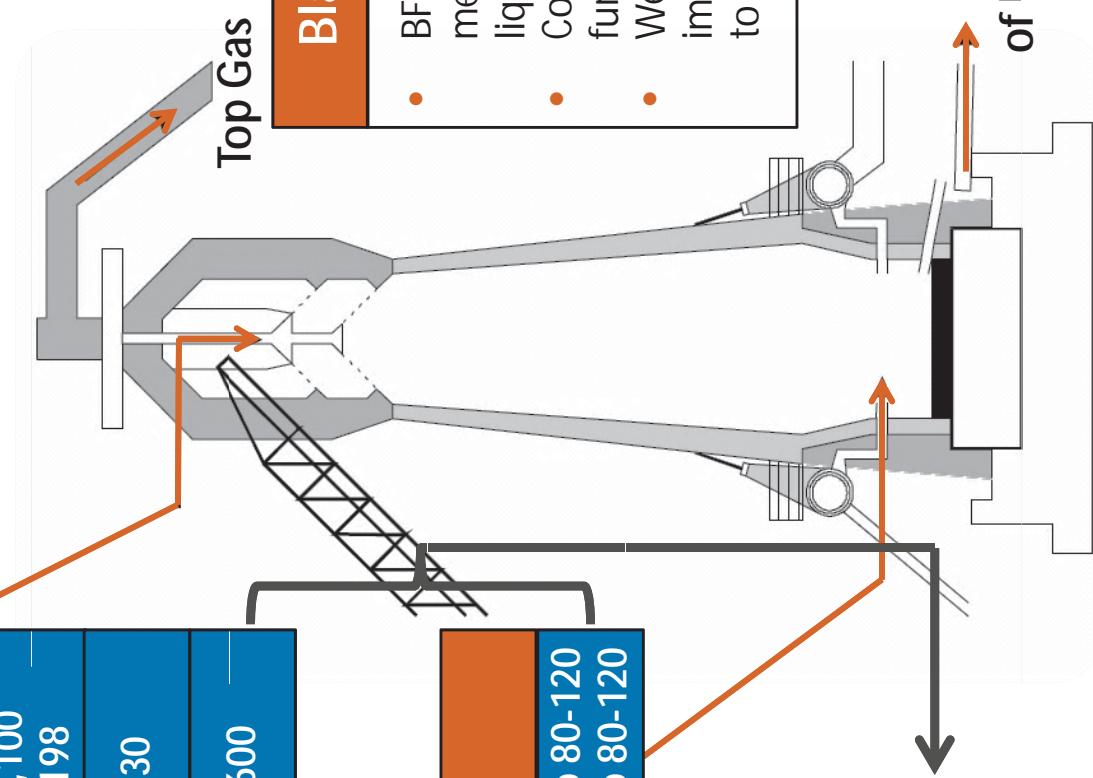
Fuel	Natural Gas Coal	Up to 80-120 Up to 80-120
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## Blast Furnace Steelmaking

- BFs are most efficient and proven method of reducing iron oxides into liquid iron
- Coke is a vital material to blast furnace steel making
- We believe stronger, larger coke is important to blast furnaces seeking to optimize fuel needs

Most efficient BFs require 800-900 lbs/NTHM of fuel to produce a ton of hot metal

1 short ton  
of hot metal (NTHM)



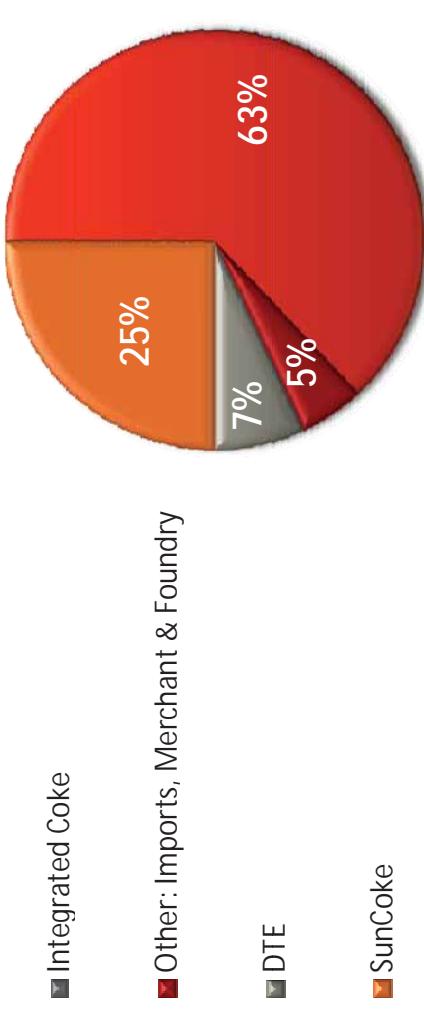
# Coke Market Dynamics



## Coke is an essential ingredient in blast furnace steel production

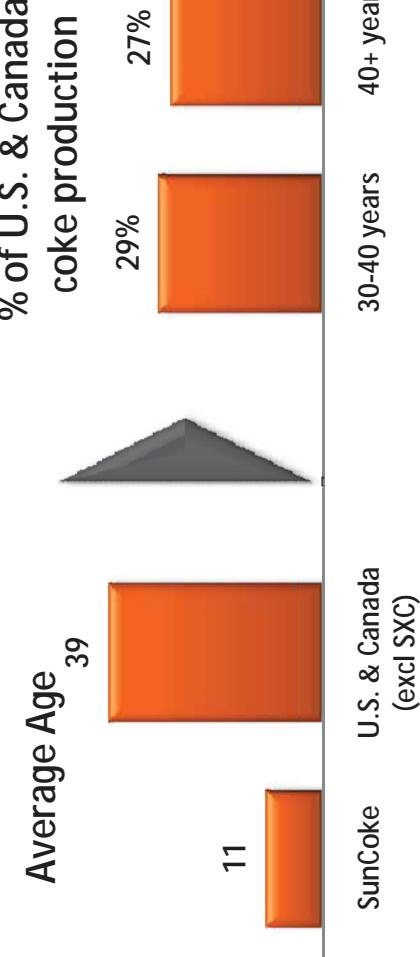
### Coke Market Overview

- U.S. BF/BOF steel production outlook driven by automotive & construction
  - Serve strategic customer blast furnace assets that primarily support auto industry



### Aging Cokemaking Facilities

Average Age  
39

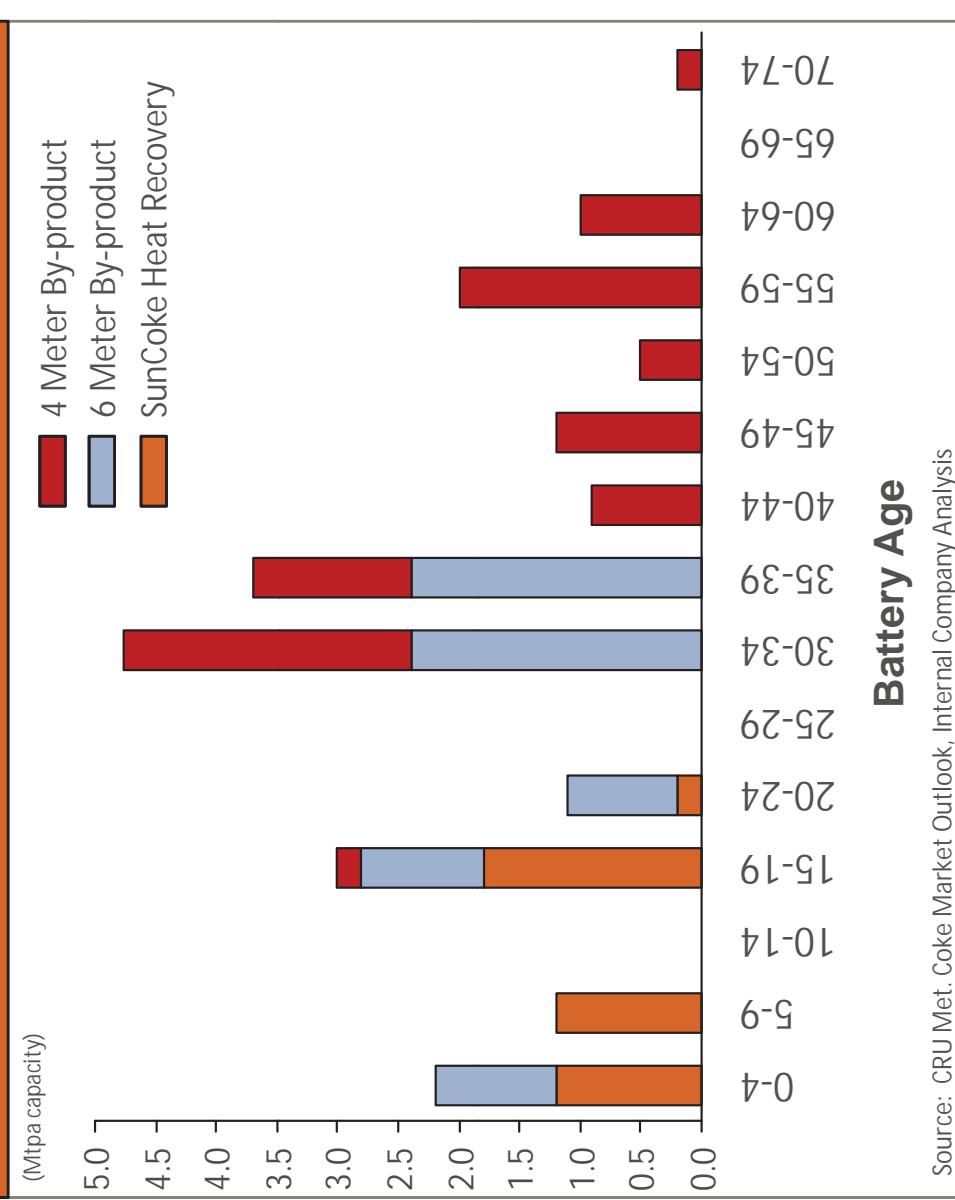


# Coke Market Dynamics



## Macro thesis playing out with recent coke battery retirements

### 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 and US Steel Granite City
  - Represents ~1.3 million tons of coke production

# SunCoke Business Verticals



**Raw materials processing and handling company with growth opportunities in cokemaking, coal logistics & other industrial verticals**

## Current Business



## Future Platforms



## Cokemaking

- 6.3M tons total global capacity; 4.2M tons in U.S.
- 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
- Long-term customer relationships

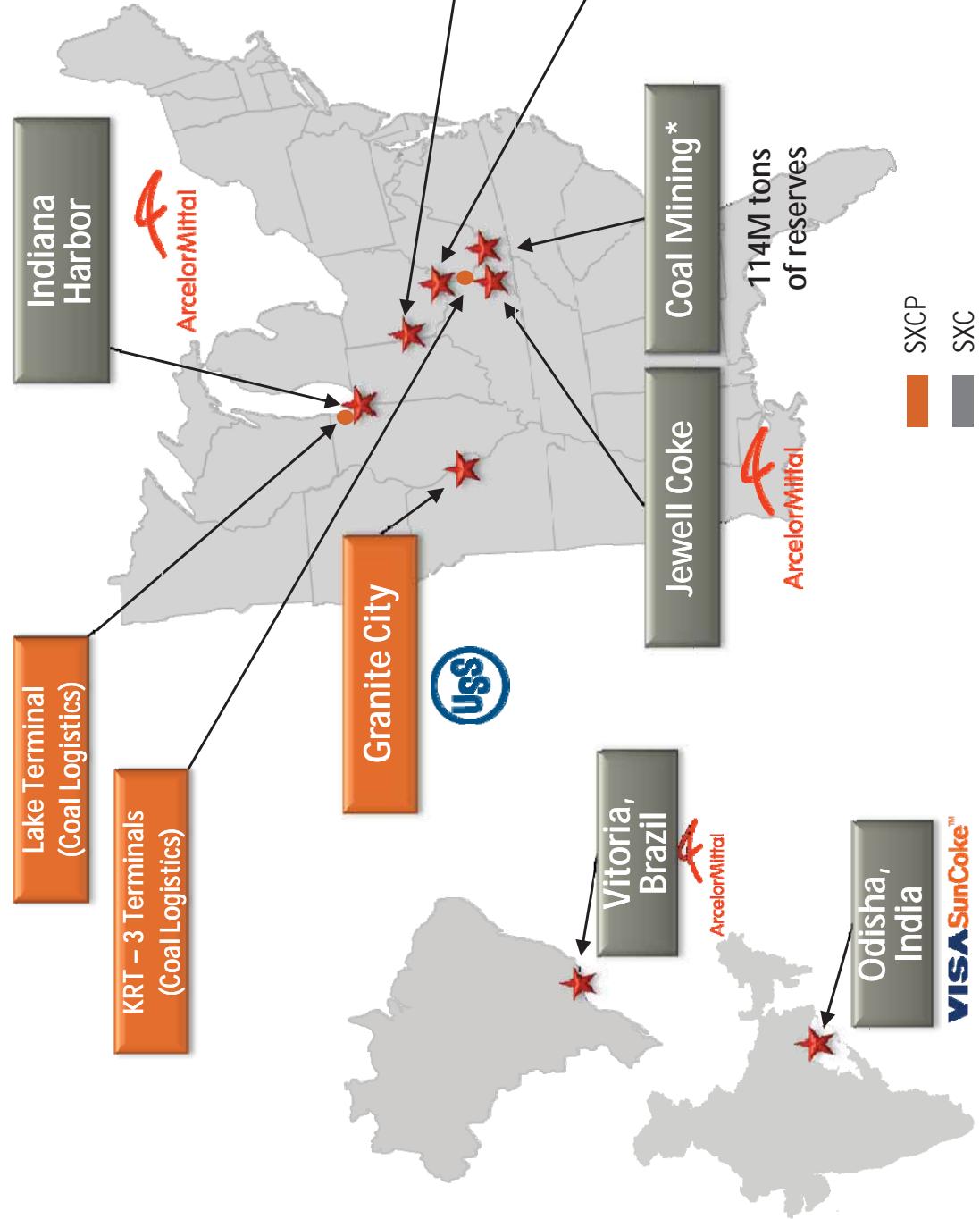
## Industrial Materials

- Actively pursuing MLP- qualifying industrial materials processing and handling assets

# Our Operations



Operations located to serve our customers' most strategic assets

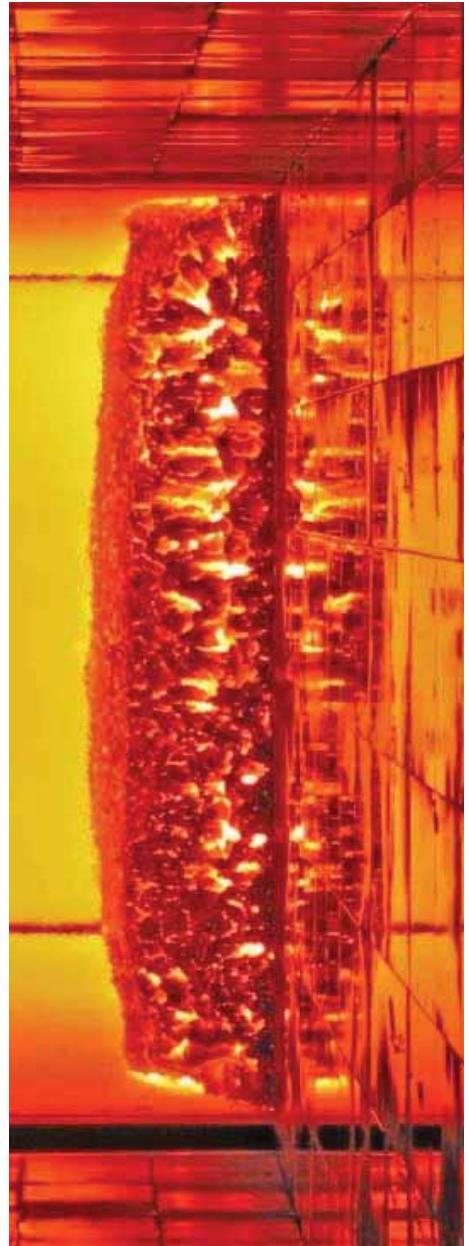




# SunCoke N. American Plants

Total Annual Capacity – 4.3 Million Tons

- ❖ Jewell Coke Vansant VA 700k TPY Blast Furnace Coke 1968
- ❖ Indiana Harbor, East Chicago IN, 1.3 Million TPY 1998
- ❖ Haverhill, Franklin Furnace, OH 1.1 Million TPY 2005 & 2008
- ❖ Granite City, Granite City, IL 660k TPY, 2009
- ❖ Middletown, OH 550k TPY 2011



# Stable Cokemaking Business Model



**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	✓/✗ <sup>(1)</sup>
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 maximum
  - 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<sup>(1)</sup>
  - Counterparty risk mitigated by contracting with customers' respective parent companies
- ✓ Positioned as primary source of coke supply at customers' strategic blast furnace assets

(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 and pay significant fee if termination right exercised prior to 2018.

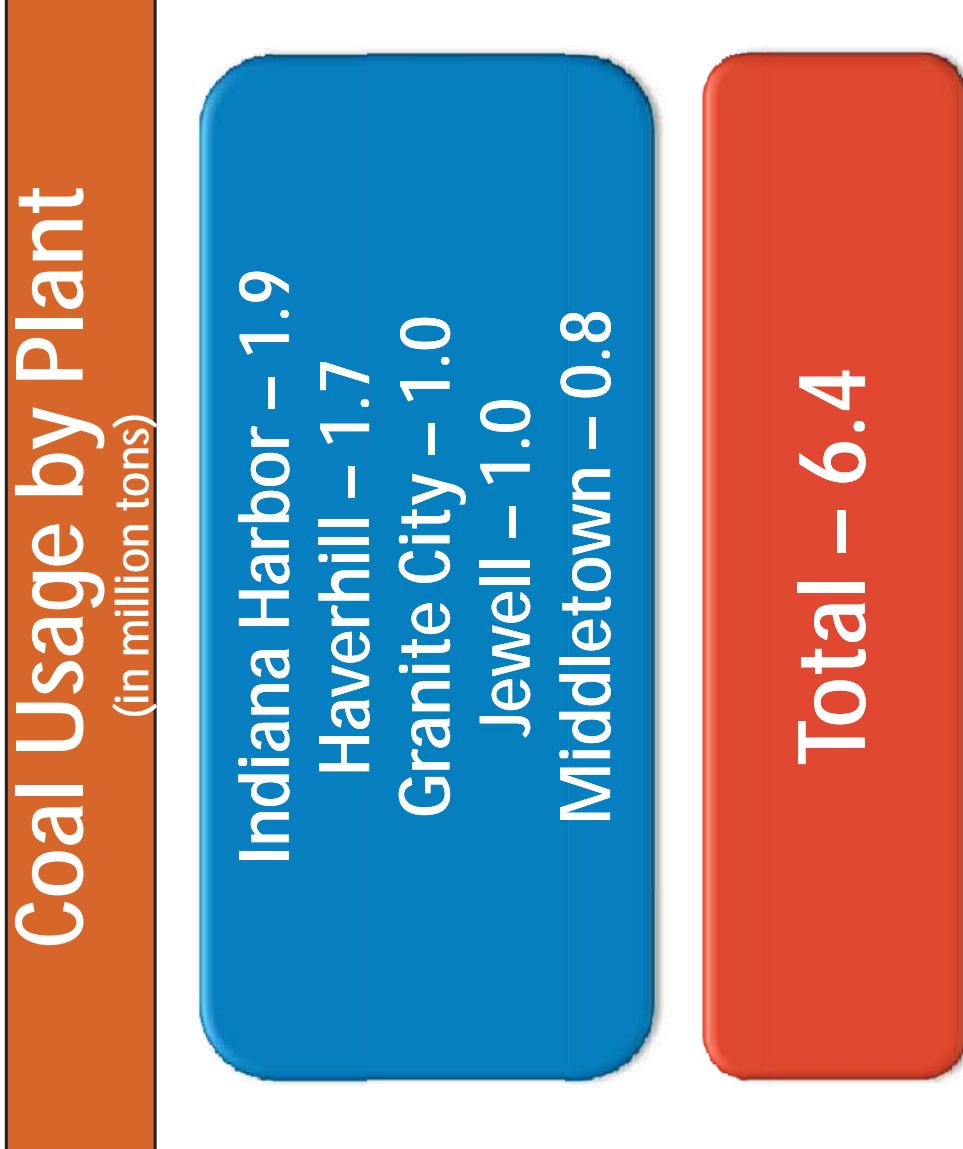
# Strategic Customer Blast Furnace Assets



## Our cokemaking assets supply coke to our customers' strategic blast furnaces

Customer	Asset Supported	Primary Product Line	Comment
	Middletown	Auto	<ul style="list-style-type: none"><li>One of the most productive BF in the country</li></ul>
	Ashland	Auto	<ul style="list-style-type: none"><li>\$19 million BF reline in 2014; now operating at full capacity</li></ul>
	Indiana Harbor	Auto	<ul style="list-style-type: none"><li>Largest BF in western hemisphere</li><li>\$90 million reline in 2014 to enable operations through 2026</li></ul>
	Cleveland	Auto	<ul style="list-style-type: none"><li>\$64 million BF reline in 2013 to increase capacity by ~10%</li></ul>
	Granite City	Construction	<ul style="list-style-type: none"><li>Installing new casters to increase range of products</li></ul>

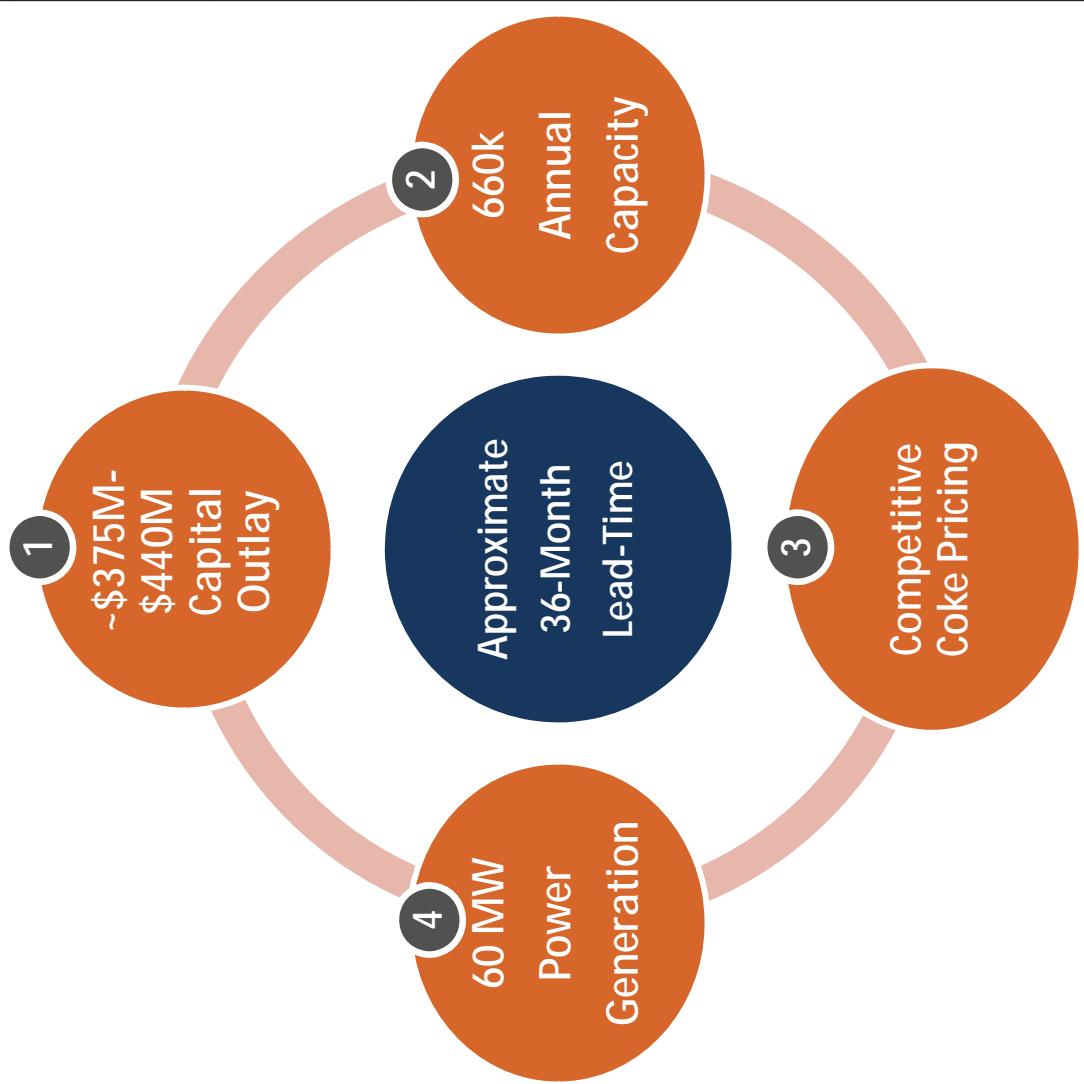
# Met Coal Consumption



# New Coke Plant – Southshore, KY



## Next Generation Coke Plant Economics



## Plant Specifications

Total CAPEX: \$375M-\$440M

Total Capacity: 660Ktpa

Power Output: ~60MW

Location: South Shore, KY



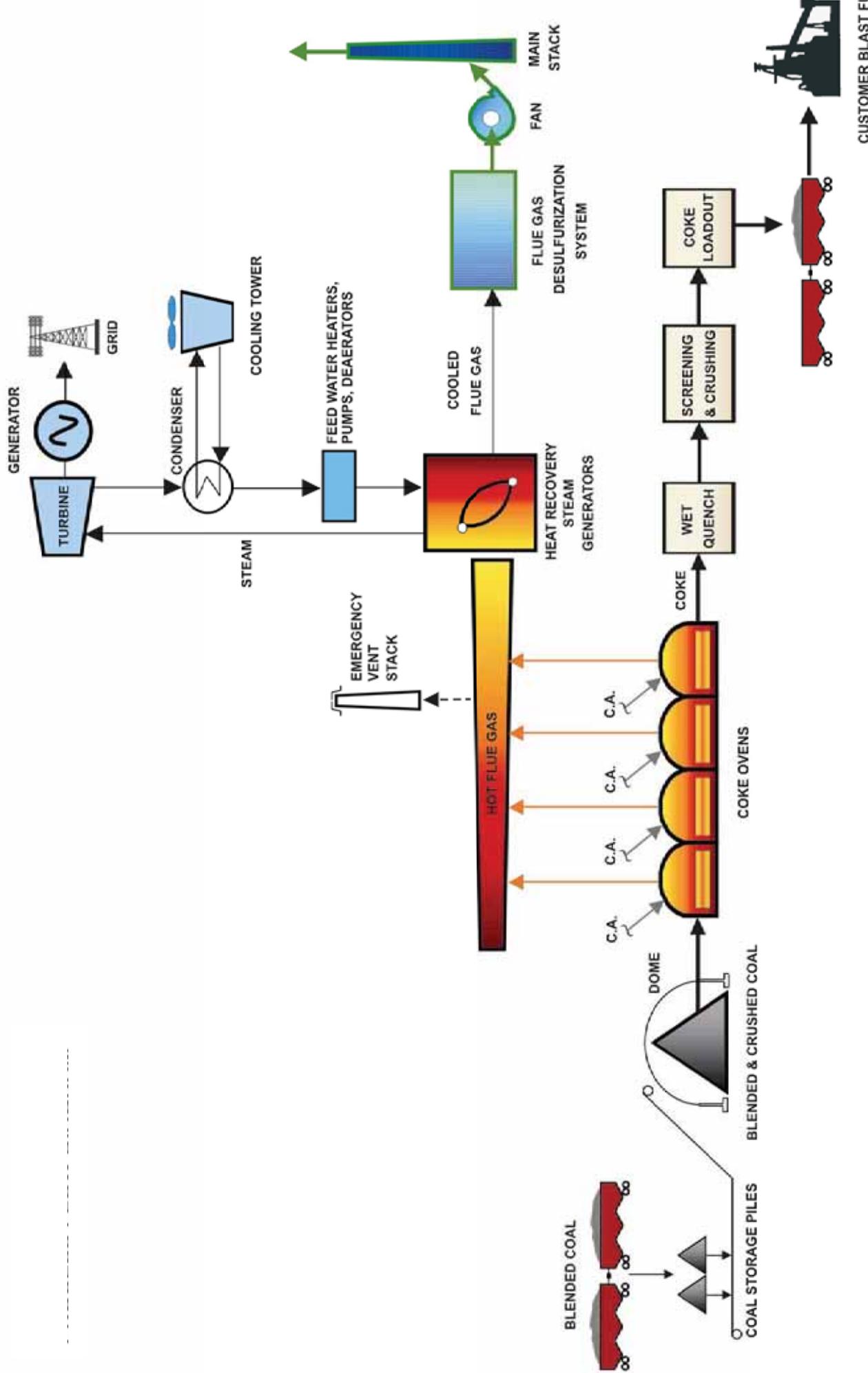
## Contracting Strategy

- 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



# SunCoke Process Flow Diagram



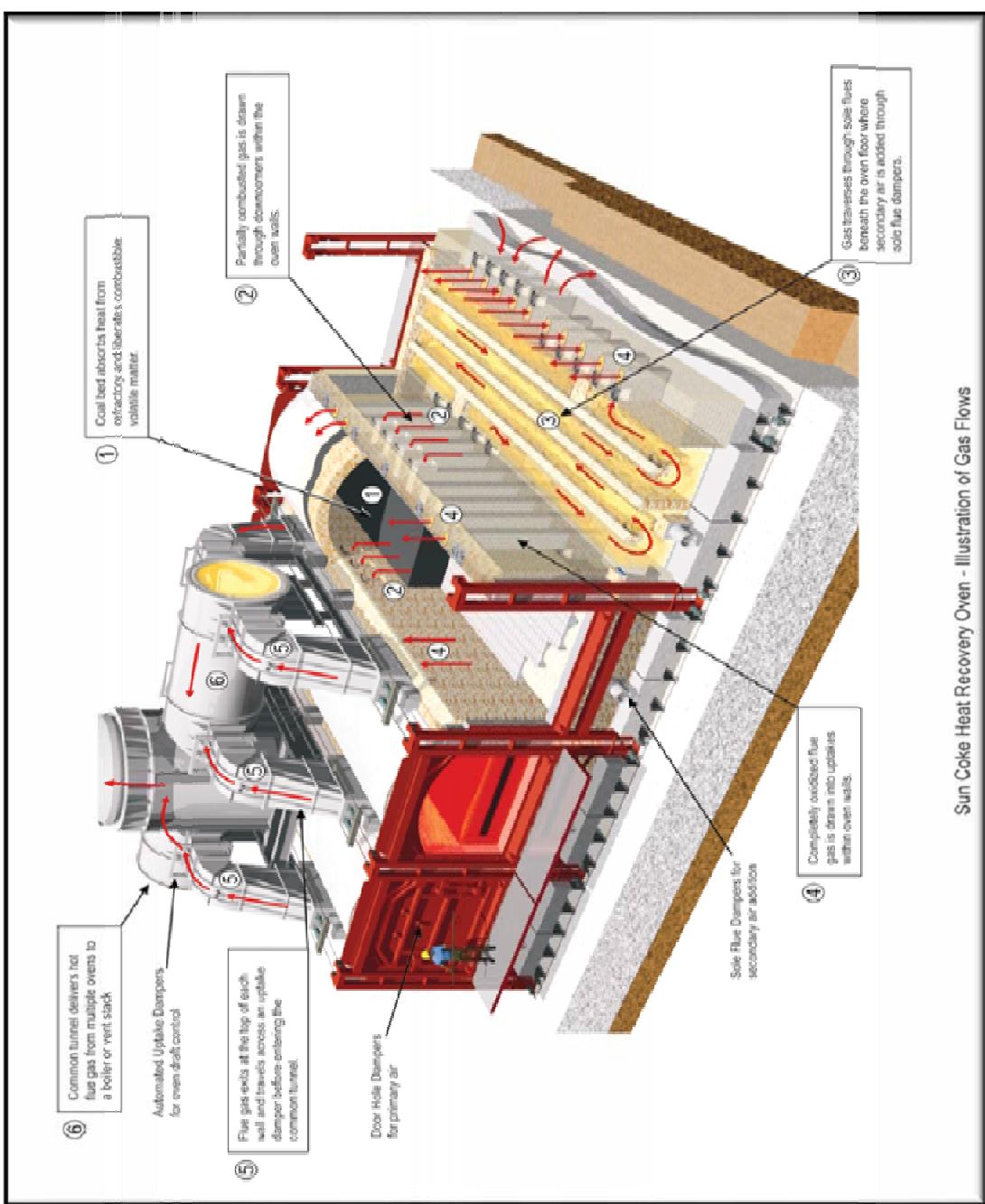
# SunCoke's Cokemaking Technology



## Our industry-leading cokemaking technology meets U.S. EPA MACT standards and makes large, strong 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



Sun Coke Heat Recovery Oven - Illustration of Gas Flows



# Near-Term Concern

USW Contract Expires August 31, 2015

## Potential Labor Dispute

ArcelorMittal



US Steel





# End Of Presentation

Thank You Very Much!

## Questions

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