

SunCoke Energy, Inc.
Form S-4
December 15, 2011
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As filed with the Securities and Exchange Commission on December 15, 2011

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

SUNCOKE ENERGY, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

3312
(Primary Standard Industrial
Classification Code Number)
1011 Warrenton Road, Suite 600

90-0640593
(I.R.S. Employer
Identification Number)

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Lisle, Illinois 60532

(630) 824-1000

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Denise R. Cade, Esq.

Senior Vice President, General Counsel and Corporate Secretary

SunCoke Energy, Inc.

1011 Warrenville Road, Suite 600

Lisle, Illinois 60532

(630) 824-1000

(630) 824-1004 (facsimile)

(Name, address, including zip code, and telephone number, including area code, of agent for service)

With copies to:

David K. Lam, Esq.

Wachtell, Lipton, Rosen & Katz

51 West 52nd Street

New York, New York 10019

(212) 403-1000

(212) 403-2000 (facsimile)

Approximate date of commencement of proposed sale to the public: As soon as practicable after this Registration Statement is declared effective.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, check the following box. "

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

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If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. "

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer " Accelerated filer "
 Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company "

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issue Tender Offer) "

Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer) "

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Amount to be Registered	Proposed Maximum Offering Price per Unit	Proposed Maximum Aggregate Offering Price	Amount of Registration Fee(1)
7 5/8% Senior Notes due 2019	\$400,000,000	100%	\$400,000,000	\$45,840.00
Guarantees of the 7 5/8% Senior Notes due 2019	\$400,000,000	N/A	N/A	(3)

- (1) Calculated pursuant to Rule 457(f)(2) under the Securities Act.
- (2) The entities listed on the Table of Subsidiary Guarantor Registrants on the following page have guaranteed the notes being registered hereby.
- (3) No separate consideration will be received for the guarantees, and pursuant to Rule 457(n) under the Securities Act, no additional registration fee is due for guarantees.

The registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933, as amended, or until the Registration Statement shall become effective on such date as the Securities and Exchange Commission, acting pursuant to said Section 8(a), may determine.

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification No.
Dominion Coal Corporation	Virginia	3312	54-0572957
Elk River Minerals Corporation	Delaware	3312	23-2376891
Energy Resources, LLC	Virginia	3312	61-1264415
Gateway Energy & Coke Company, LLC	Delaware	3312	20-4818252
Harold Keene Coal Co., Inc.	Virginia	3312	54-1296749
Haverhill North Coke Company	Delaware	3312	23-2970292
Indiana Harbor Coke Company	Delaware	3312	23-2866196
Indiana Harbor Coke Corporation	Indiana	3312	23-2866198
Jewell Coal and Coke Company, Inc.	Virginia	3312	62-0523521
Jewell Coke Acquisition Company	Virginia	3312	23-2813289
Jewell Coke Company, L.P.	Delaware	3312	23-2818770
Jewell Resources Corporation	Virginia	3312	62-0975192
Jewell Smokeless Coal Corporation	Virginia	3312	62-0857142
Middletown Coke Company, LLC	Delaware	3312	26-1402609
Oakwood Red Ash Coal Corporation	Virginia	3312	54-0649232
Omega Mining, Inc.	Virginia	3312	84-1648872
Sun Coal & Coke LLC	Delaware	3312	23-2268198
SunCoke Energy South Shore LLC	Delaware	3312	26-4277070
SunCoke Technology and Development LLC	Delaware	3312	62-1070598
Vansant Coal Corporation	Virginia	3312	54-0572785

* All subsidiary guarantor registrants have the following principal executive office:
c/o SunCoke Energy, Inc.
1011 Warrenville Road, Suite 600
Lisle, Illinois 60532
(630) 824-1000

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION. DATED DECEMBER 15, 2011

PROSPECTUS

\$400,000,000

SUNCOKE ENERGY, INC.

EXCHANGE OFFER FOR

7⁵/₈% SENIOR NOTES DUE 2019

FOR

A LIKE PRINCIPAL AMOUNT OF OUTSTANDING

7⁵/₈% SENIOR NOTES DUE 2019

SunCoke Energy, Inc. (which we refer to as the Company) is offering, upon the terms and subject to the conditions set forth in this prospectus and the accompanying letter of transmittal, to exchange an aggregate principal amount of up to \$400,000,000 of outstanding 7⁵/₈% Senior Notes due 2019 that were issued in a private placement (which we refer to as the outstanding notes) for an equal principal amount of 7⁵/₈% Senior Notes due 2019 whose sale will be registered under the U.S. Securities Act of 1933, as amended (which we refer to as the exchange notes and together with the outstanding notes, the notes). The terms of the exchange notes will be identical in all material respects to the terms of the outstanding notes, and the Company will issue the exchange notes under the same Indenture (as defined below) as the outstanding notes. The Company issued the outstanding notes in connection with its separation from Sunoco, Inc. (Sunoco) and its initial public offering in accordance with the terms of the Indenture dated July 26, 2011 among the Company, the guarantors party thereto and The Bank of New York Mellon Trust Company, N.A., governing the outstanding notes (which we refer to as the Indenture).

The exchange offer expires at 12:00 midnight, New York City time, at the end of _____, 2011, unless extended.

Terms of the Exchange Offer

The Company will issue exchange notes for all outstanding notes that are validly tendered and not withdrawn prior to the expiration of the exchange offer.

You may withdraw tendered outstanding notes at any time prior to the expiration of the exchange offer.

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The terms of the exchange notes are identical in all material respects (including principal amount, interest rate, maturity and redemption rights) to the terms of the outstanding notes for which they may be exchanged, except that the exchange notes generally will not be subject to transfer restrictions or be entitled to registration rights and the exchange notes will not have the right to earn additional interest under circumstances relating to our registration obligations.

Certain of the Company's subsidiaries will guarantee the Company's obligations under the exchange notes, including the payment of principal of, premium, if any, and interest on the notes. These guarantees of the exchange notes will be senior unsecured obligations of the subsidiary guarantors. Additional subsidiaries will be required to guarantee the exchange notes, and the guarantees of the subsidiary guarantors will terminate, in each case in the circumstances described under "Description of Notes" "Guarantees."

The exchange of outstanding notes for exchange notes pursuant to the exchange offer should not constitute a taxable exchange for U.S. federal income tax purposes. See "Material U.S. Federal Income Tax Considerations."

There is no existing market for the exchange notes, and we do not intend to apply to list the exchange notes on any securities exchange or market.

See **Risk Factors** beginning on page 22 for a discussion of the factors you should consider in connection with the exchange offer.

NEITHER THE U.S. SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Each broker-dealer that receives exchange notes for its own account pursuant to this exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. The accompanying letter of transmittal relating to the exchange offer states that by so acknowledging and delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. See "Plan of Distribution."

The date of this prospectus is _____, 201__.

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You should rely only on the information contained in this prospectus prepared by or on behalf of us to which we have referred you. We have not authorized anyone to provide you with information different from, or inconsistent with, the information contained in this prospectus. We are not making an offer to sell these securities in any jurisdiction where such offer or sale is not permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery.

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CAUTIONARY STATEMENT CONCERNING FORWARD-LOOKING STATEMENTS

We have made forward-looking statements in this prospectus, including, among others, in the sections entitled Prospectus Summary, Risk Factors, Management's Discussion and Analysis of Financial Condition and Results of Operations and Business. Such forward-looking statements are based on management's beliefs and assumptions and on information currently available. Forward-looking statements include the information concerning our possible or assumed future results of operations, business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, benefits resulting from our separation from Sunoco, 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. In particular, statements in this prospectus concerning future dividend declarations are subject to approval by our board of directors and will be based upon circumstances then existing.

Forward-looking statements involve risks, uncertainties and assumptions. Actual results may differ materially from those expressed in these forward-looking statements. You should not put undue reliance on any forward-looking statements. We do not have any intention or obligation to update any forward-looking statement (or its associated cautionary language), whether as a result of new information or future events, after the date of this prospectus, except as required by applicable law.

The risk factors discussed in Risk Factors could cause our results to differ materially from those expressed in forward-looking statements. There may also be other risks that we are unable to predict at this time. Such risks and uncertainties include, without limitation:

changes in levels of production, production capacity, pricing and/or margins for metallurgical coal and coke;

variation in availability, quality and supply of metallurgical coal used in the cokemaking process, including as a result of non-performance by our suppliers;

effects of railroad, barge, truck and other transportation performance and costs, including any transportation disruptions;

changes in the marketplace that may affect supply and demand for our metallurgical coal and/or coke products;

our relationships with, and other conditions affecting, our customers;

the deferral of contracted shipments of coal, or coke, by our customers;

severe financial hardship or bankruptcy of one of more of our major customers, or the occurrence of other events affecting our ability to collect payments from our customers;

volatility and cyclical downturns in the carbon steel industry and other industries in which our customers operate;

our ability to secure new coal supply agreements or to renew existing coal supply agreements;

our ability to enter into new, or renew existing, long-term agreements upon favorable terms, for the supply of metallurgical coke to domestic and/or foreign steel producers;

our ability to acquire or develop coal reserves in an economically feasible manner;

defects in title or the loss of one or more mineral leasehold interests;

effects of geologic conditions, weather, natural disasters and other inherent risks beyond our control;

age of, and changes in the reliability, efficiency and capacity of the various equipment and operating facilities used in our coal mining and/or cokemaking operations, and in the operations of our major customers, business partners and/or suppliers;

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changes in the expected operating levels of our assets;

our ability to meet minimum volume requirements, coal-to-coke yield standards and coke quality requirements in our coke sales agreements;

disruptions in the quantities of coal produced by our contract mine operators;

our ability to obtain and renew mining permits, and the availability and cost of surety bonds needed in our coal mining operations;

availability of skilled employees for our coal mining and/or cokemaking operations, and other workplace factors;

changes in the level of capital expenditures or operating expenses, including any changes in the level of environmental capital, operating or remediation expenditures;

effects of adverse events relating to the operation of our facilities and to the transportation and storage of hazardous materials (including equipment malfunction, explosions, fires, spills, and the effects of severe weather conditions);

changes in product specifications for either the coals or coke that we produce;

ability to identify acquisitions, execute them under favorable terms and integrate them into our existing businesses and have them perform at anticipated levels;

ability to enter into joint ventures and other similar arrangements under favorable terms;

changes in the availability and cost of equity and debt financing;

our ability to service our outstanding indebtedness;

our ability to comply with the restrictions imposed by our financing arrangements;

impact on our liquidity and ability to raise capital as a result of changes in the credit ratings assigned to our indebtedness;

changes in credit terms required by our suppliers;

changes in insurance markets impacting costs and the level and types of coverage available, and the financial ability of our insurers to meet their obligations;

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changes in accounting rules and/or tax laws or their interpretations, including the method of accounting for inventories, leases and/or pensions;

changes in financial markets impacting pension expense and funding requirements;

risks related to labor relations and workplace safety;

nonperformance or force majeure by, or disputes with or changes in contract terms with, major customers, suppliers, dealers, distributors or other business partners;

changes in, or new, statutes, regulations, governmental policies and taxes, or their interpretations, including those relating to the environment and global warming;

the accuracy of our estimates of reclamation and other mine closure obligations;

the existence of hazardous substances or other environmental contamination on property owned or used by us;

the availability of future permits authorizing the disposition of certain mining waste;

claims of our noncompliance with any statutory and regulatory requirements;

changes in the status of, or initiation of new litigation, arbitration, or other proceedings to which we are a party or liability resulting from such litigation, arbitration, or other proceedings;

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conflicts of interests due to Sunoco's current controlling interest in us and the limited liability of our directors and officers for breach of fiduciary duty;

historical combined and consolidated and pro forma financial data may not be reliable indicator of future results;

incremental costs as a stand-alone public company;

our substantial indebtedness; and

certain covenants in our debt documents.

The factors identified above are believed to be important factors, but not necessarily all of the important factors, that could cause actual results to differ materially from those expressed in any forward-looking statement made by us. Other factors not discussed herein could also have material adverse effects on us. All forward-looking statements included in this prospectus are expressly qualified in their entirety by the foregoing cautionary statements.

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PROSPECTUS SUMMARY

The following summary highlights significant aspects of our business and this offering, but it is not complete. In addition to this summary, you should read the entire prospectus carefully, including the information discussed under Risk Factors, and the financial statements and related notes. This summary contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from the results discussed in the forward-looking statements as a result of certain factors, including those set forth in Risk Factors and Cautionary Statement Concerning Forward-Looking Statements.

On July 18, 2011 (Separation Date), Sunoco contributed the subsidiaries, assets and liabilities that were primarily related to its cokemaking and coal mining operations to us in exchange for 69,999,000 shares of our common stock (the Separation). On July 26, 2011, we completed the initial public offering (initial public offering or IPO) of 13,340,000 shares of our common stock. Unless the context otherwise requires, references to the Company, we, our, us, or like terms, when used in a historical context (periods prior to the Separation Date), refer to the cokemaking and coal mining operations of Sunoco prior to their transfer to us in connection with the Separation. References when used in the present tense or prospectively (after the Separation Date), refer to SunCoke Energy, Inc. and our subsidiaries. Our historical financial results as part of Sunoco contained in this prospectus may not reflect our financial results as a stand-alone company or what our financial results would have been had we been a stand-alone company during the periods presented. Please see Risk Factors Risks Related to Our Separation from Sunoco.

Certain industry and other technical terms used throughout this prospectus relating primarily to our business, including terms related to the coke and coal industries, are defined in the Glossary of Selected Terms included elsewhere in this prospectus.

Our Company

We are the largest independent producer of high-quality metallurgical coke in the Americas, as measured by tons of coke produced each year, and have over 45 years of coke production experience. Metallurgical coke is a principal raw material in the integrated steelmaking process. We have designed, developed and built, and own and operate five metallurgical cokemaking facilities in the United States and designed and operate one cokemaking facility in Brazil under licensing and operating agreements on behalf of our customer. Our fifth U.S. cokemaking facility in Middletown, Ohio was recently completed and commenced operations in October 2011. With the completion of our Middletown facility, our total U.S. cokemaking capacity has increased to approximately 4.2 million tons of coke per year. The cokemaking facility that we operate in Brazil has cokemaking capacity of approximately 1.7 million tons of coke per year. We also have a preferred stock investment in the project company that owns the Brazil facility. We own and operate coal mining operations in Virginia and West Virginia that have sold an average of approximately 1.2 million tons of metallurgical coal per year (including internal sales to our cokemaking operations) over the past three years.

We are a technological leader in cokemaking. Our advanced heat recovery cokemaking process has numerous advantages over by-product cokemaking, including producing higher quality coke, using waste heat to generate derivative energy for resale and reducing environmental impact. The Clean Air Act Amendments of 1990 specifically directed the U.S. Environmental Protection Agency, or EPA, to evaluate our heat recovery coke oven technology as a basis for establishing Maximum Achievable Control Technology, or MACT, standards for new cokemaking facilities. In addition, each of the four cokemaking facilities that we have built since 1990 has either met or exceeded the applicable Best Available Control Technology, or BACT, or Lowest Achievable Emission Rate, or LAER, standards, as applicable, set forth by the EPA for cokemaking facilities. In conducting our cokemaking operations, we direct our marketing efforts principally towards steelmaking facilities that require high quality metallurgical coke for their blast furnaces. We currently sell approximately 3.6 million tons of

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metallurgical coke per year to our three primary customers in the United States: ArcelorMittal, United States Steel Corporation, or U.S. Steel, and AK Steel Corporation, or AK Steel. Substantially all of our coke sales are made pursuant to long-term take-or-pay agreements which require that our customers either take all of our coke production up to a specified tonnage maximum or pay the contract price for any such coke they elect not to accept. These coke sales agreements have an average remaining term of approximately 11 years. For the year ended December 31, 2010, ArcelorMittal, our largest customer, accounted for approximately 69 percent of our total revenues.

Our underground metallurgical coal mining operations near our Jewell cokemaking facility had at least 85 million tons of proven and probable coal reserves as of December 31, 2010. In January 2011, we acquired Harold Keene Coal Co., Inc. and its affiliated companies, or the HKCC Companies, for approximately \$52 million, consisting of a net cash payment of \$36 million and contingent consideration totaling \$16 million. This acquisition adds between 250 thousand and 300 thousand tons of coal production annually, with the potential to expand production in the future, and 21 million tons of proven and probable coal reserves located in Russell and Buchanan Counties in Virginia, contiguous to our existing metallurgical coal mining operations.

We had previously reported an expansion plan that we expected to increase coal production from our Jewell underground mines. We had expected to increase annualized production by approximately 350,000 tons in 2012 and to reach a 500,000 ton annualized increase by mid-2013, increasing the annualized rate of coal sales to 2.0 million tons by mid-2013. Reflecting continued tightness in the Appalachian labor market, lower yields from existing and newly developed mine seams and higher costs related to new mining safety regulations, we plan to slow the ramp-up of the expansion plan and delay opening additional new mines until 2013. Increased headcount and additional equipment will be used to increase productivity and augment compliance activities at existing mines in 2012. We now anticipate coal production at our Jewell mines of approximately 1.05 million tons in 2011, approximately 1.15 million tons in 2012 and approximately 1.45 million tons in 2013. We continue to expect capital outlays for the expansion plan, primarily for new mining equipment, to total approximately \$30 million, of which \$10 million is expected to be spent in 2011.

In early June 2011, we entered into a series of coal transactions with Revelation Energy, LLC, or Revelation. Under a contract mining agreement, Revelation will mine certain coal reserves at our Jewell coal mining operations that are not included in our current proven and probable reserve estimate. This coal will be mined, subject to the satisfaction of certain conditions, over a three-year period beginning late in the fourth quarter of 2011 and is now expected to produce approximately 1.2 million tons of coal over such period, rather than approximately 1.3 million tons, as previously reported. We anticipate 75 percent of production to be mid-volatility metallurgical coal, with the remaining 25 percent thermal coal. In addition, we intend to build a state-of-the-art rapid train coal loading facility in the proximity of our Jewell coal mining operations at an expected cost of approximately \$20 million, of which the majority is expected to be spent in 2012. Once completed, the throughput capacity of the loadout facility will be 2.6 million tons per year. The loadout facility will be operated by Revelation and rail service will be provided by Norfolk Southern.

Including the HKCC Companies, our mining operations now consist of 13 active underground mines, one active surface mine and one active highwall mine in Russell and Buchanan Counties, Virginia and McDowell County, West Virginia. Our coal mining operations have historically produced coal that we believe possesses highly desirable coking properties: mid-volatility and low sulfur and ash content. Substantially all of our mined coal has been used internally at our nearby Jewell cokemaking facility or at our other domestic cokemaking facilities. The operations of the recently acquired HKCC Companies produce high volatile A and high volatile B metallurgical coals, which can be blended with the mid-volatility coal produced by our existing coal mining operations, and high quality steam coal.

For the year ended December 31, 2010, our total revenues, net income and Adjusted EBITDA were approximately \$1.3 billion, \$146.3 million and \$227.3 million, respectively. For the nine months ended

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September 30, 2011, our total revenues, net income and Adjusted EBITDA were approximately \$1.1 billion, \$51.4 million and \$109.0 million, respectively. For the definition of Adjusted EBITDA and a presentation of net income (loss) calculated in accordance with generally accepted accounting principles, or GAAP, and reconciliation to our Adjusted EBITDA, see Summary Historical and Pro Forma Financial and Operating Data.

Initial Public Offering and Spin-Off

In December 2010, Sunoco formed us as a wholly-owned subsidiary. Sunoco contributed \$1,000 to us in exchange for 1,000 shares of our common stock. On the Separation Date, Sunoco contributed the subsidiaries, assets and liabilities that were primarily related to its cokemaking and coal mining operations to us in exchange for 69,999,000 shares of our common stock. As of the Separation Date, Sunoco owned 100% of our outstanding common stock. On July 26, 2011, we completed the IPO of 13,340,000 shares of our common stock.

Immediately following the IPO, Sunoco owned 56,660,000 shares of our common stock, or 80.9% of our outstanding common stock. On December 1, 2011, Sunoco announced that its board of directors had declared a special stock dividend to Sunoco shareholders of the shares of our common stock it owns. The distribution of the special stock dividend will be made by means of a spin-off, which is a *pro rata* distribution by Sunoco of the shares of our common stock it owns to holders of Sunoco's common stock. The spin-off is scheduled to occur on January 17, 2012 and, upon completion of the spin-off, Sunoco will cease to own any shares of our common stock.

We have entered into agreements with Sunoco that govern the separation of our businesses from Sunoco and various interim and ongoing relationships. They provided for, among other things, the transfer from Sunoco to us of assets and the assumption by us of liabilities comprising our businesses. For more information regarding the assets and liabilities to be transferred to us, see our combined and consolidated pro forma and historical financial statements and accompanying notes included elsewhere in this prospectus. See Arrangements Between Sunoco and Our Company for a more detailed discussion of these agreements. All of the agreements relating to our separation from Sunoco were made in the context of a parent-subsiary relationship and were entered into in the overall context of our separation from Sunoco. The terms of these agreements may be more or less favorable to us than if they had been negotiated with unaffiliated third parties. See Risk Factors Risks Related to Our Ongoing Relationship with Sunoco. In addition, in connection with the Separation and IPO, the Company entered into credit facilities and issued the outstanding notes. See Description of Certain Indebtedness for more information regarding the credit facilities.

Competitive Strengths

Largest independent metallurgical coke producer in the Americas. We are the largest independent metallurgical coke producer in the Americas as measured by tons of coke produced each year. We operate facilities with total cokemaking capacity of approximately 6 million tons, including a facility in Brazil that we operate on behalf of one of our customers. We believe that our operating scale and cokemaking facilities provide strong name recognition throughout the industry and serve as an effective marketing platform to help grow our business. The scale of our operations allows us to leverage company-wide best practices and systems for the continuous improvement of our facilities. In addition, because our facilities, equipment and operational practices are highly standardized, we expect to be able to leverage our experience with our existing facilities in the start up and establishment of projects in new markets.

Highly efficient, commercially proven cokemaking technology and valuable proprietary know-how. Our cokemaking technology has been developed over five decades through our operational experience and research and development efforts. We operate over one thousand ovens, some of which have been in service for more than 20 years, and have built a record of reliable operations with our customers.

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Over the last 20 years, we have also made significant advances in the design of our facilities and have been granted numerous patents for certain proprietary features. As a result of our design improvements and extensive operational know-how, we believe that we possess the most advanced and environmentally sound cokemaking technology in the industry. For example, our oven design and operational practices allow us to produce more electricity from our heat recovery process than any competing heat recovery technology. Our facilities can generate approximately nine megawatts of electric power each hour per 110 thousand tons of cokemaking capacity (e.g., a 550 thousand ton per year facility can produce approximately 45 megawatts per hour) whereas competing heat recovery designs can produce seven or less megawatts of electric power each hour per 110 thousand tons of cokemaking capacity. The Clean Air Act Amendments of 1990 specifically directed the EPA to evaluate our heat recovery coke oven technology as a basis for establishing MACT standards for new cokemaking facilities. In addition, each of the four cokemaking facilities that we have built since 1990 has either met or exceeded the applicable BACT or LAER standards, as applicable, set forth by the EPA for cokemaking facilities. The negative pressure operation of our ovens contains and virtually eliminates emissions of hazardous pollutants that by-product ovens can emit.

Secure, long-term agreements with leading steelmakers. We make substantially all of our metallurgical coke sales pursuant to long-term coke sales agreements with ArcelorMittal, U.S. Steel and AK Steel, which are three of the largest integrated steelmakers in North America. These coke sales agreements have an average remaining term of approximately 11 years and contain take-or-pay provisions, which require that our customers either take all of our coke production up to a specified tonnage maximum or pay the contract price for any such coke they elect not to accept. To date, our customers have always satisfied their obligations under these agreements. With the exception of our Jewell cokemaking facility, where we mine our own coal, all of our coke sales agreements also effectively provide for the pass-through of coal costs, subject to meeting contractual coal-to-coke yields. The coal component of the Jewell coke price is fixed annually for each calendar year based on the weighted-average contract price of third-party coal purchases at our Haverhill facility applicable to ArcelorMittal coke sales. These features of our coke sales agreements reduce our exposure to coal price changes over the remaining terms of the agreements. In addition, we designed and currently operate one cokemaking facility in Brazil under long-term licensing and operating agreements with affiliates of ArcelorMittal that will run through 2023, subject, in the case of the licensing agreement, to the issuance prior to 2014 of certain patents in Brazil that have been granted in the United States.

Proven ability to develop, permit, construct and start up new facilities. We have executed the development, permitting, construction and start up of four projects in the United States with approximately 2.3 million tons of cokemaking capacity in the last six years, including our recently completed fifth U.S. cokemaking facility in Middletown, Ohio. We are the only company to complete a greenfield cokemaking facility in the United States in the last 25 years. We believe our demonstrated capability to develop, permit, construct and start up new facilities provides us with an advantage in pursuing growth opportunities in the United States and internationally.

Demonstrated international operating experience. The Vitória, Brazil cokemaking facility is the largest facility that we operate. Prior to the start up of the facility, we did not have a presence outside of the United States. Using our technology and operating expertise, we provided technical advice during construction, and we completed start up and initiated operation of this facility, including the development and training of the local management team. We believe that our standardized plant design, well-developed operating practices and systems, and experience from our existing operations facilitated the successful execution of this international project and can be replicated for projects in new markets.

Availability of high-quality metallurgical coal reserves. Including the acquisition of the HKCC Companies in January 2011, we control at least 106 million tons of proven and probable coal reserves. We have sold an average of approximately 1.2 million tons of metallurgical coal per year (including

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internal sales to our cokemaking operations) over the past three years. In addition, the HKCC Companies sell between 250 thousand and 300 thousand tons of coal annually and have the potential to expand production in the future. Our coal mining operations have historically produced metallurgical coal that we believe possesses highly desirable coking properties and, as such, it can be used as a single-coal blend for making high-quality coke or as a high-quality supplement to nearly any coal blend. We have also used our coal production to supplement coal purchases at our other domestic cokemaking facilities and have the ability to sell coal to third parties, including those in international markets. The operations of the recently acquired HKCC Companies produce high volatile A and high volatile B metallurgical coals, which can be blended with the mid-volatility coal produced by our existing coal mining operations, and high quality steam coal. Since 2003, prices for metallurgical coal have risen by more than 400 percent. We expect demand for high quality metallurgical coal to continue to grow.

Excellent safety record in coal mining and cokemaking operations. The health and safety of our employees is of paramount importance to us. We believe that we employ best practices and conduct continual training programs in compliance with regulatory requirements to ensure that all of our employees are focused on safety. We have consistently operated our metallurgical coke operations within or near the top quartile for the U.S. Occupational Safety and Health Administration's recordable injury rates as measured and reported by the American Coke and Coal Chemicals Institute. We work to maintain low recordable injury rates and we have also won the Sentinels of Safety award for 2008 from the U.S. Department of Labor's Mine Safety and Health Administration, or MSHA, for having the mine with the most employee hours worked without experiencing a lost-time injury.

Highly experienced management team. Our senior operating management team averages 26 years of experience in global industrial manufacturing and infrastructure development, including in the coal, coke and steel-related industries. In September 2010, we hired a new chief executive officer, Frederick A. Henderson, who served as chief executive officer, chief operating officer and chief financial officer of one of the largest global automakers and has extensive global operations and manufacturing experience as well as extensive expertise in dealing with the steel industry. We believe that our management team's combination of industry knowledge, experience in major manufacturing operations and experience in developing large global fixed asset projects provides a strong leadership foundation for our future growth.

Business and Growth Strategies

Maintain our consistent focus on operational excellence, safety and environmental stewardship. Operating our cokemaking facilities reliably and at low cost while producing consistently high quality coke is critical to maintaining the satisfaction of our existing customers and our ability to secure new customers and projects. We have developed and instituted a management program to drive the reliable and cost-efficient operation of our facilities through standardized processes, procedures and management systems incorporating best practices that we refer to as the SunCoke Way. We believe that the SunCoke Way provides the foundation to achieve operational excellence at our facilities and represents a key component of the future growth of our business. Our expertise at developing, constructing and operating our facilities will enable us to continue growing with our customers, and others, as they construct new blast furnaces and their existing cokemaking facilities require replacement. We are also currently implementing operational improvements in our coal mining business. These initiatives focus on improving the productivity and safety of our operations and include the upgrading or replacement of mining equipment, the implementation of improved operating practices, and the use of enhanced reporting metrics. We are also committed to maintaining a safe work environment and ensuring strict compliance with applicable laws and regulations at both our cokemaking and coal mining operations. To support these objectives, we are in the process of

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implementing a structured safety and environmental process that provides a robust framework for managing and monitoring safety and environmental performance. We also seek to foster good relationships with regulators, policymakers, state and local officials and the communities in which we operate.

Grow our international footprint with a focus on key growth markets. We believe that international markets and, in particular, emerging economies will drive the vast majority of coke demand growth in the coming decade and as such will require significant new cokemaking capacity. CRU International, Ltd. estimates that global crude steel production will grow by nearly 4 percent per year to 2,244 million tons by 2020, and that global coke demand will increase by approximately 196 million tons by 2020, representing a 30 percent increase in coke demand from estimated 2010 levels. We have targeted Brazil, China, Eastern Europe and India as key markets that we believe offer us attractive growth opportunities and where we expect to focus our development efforts. We believe our track record as a technological pioneer in cokemaking and our growing portfolio of cokemaking facilities provide strong name recognition throughout the global steel industry and serve as an effective marketing platform. The Vitória, Brazil facility that we designed and operate for a subsidiary of ArcelorMittal represents the successful completion and operation of an international facility in a market where we previously had no presence. Our existing relationships with world-class steelmakers also provide potential customers with a tangible and successfully-demonstrated framework for outsourcing a critical component of their manufacturing process. Our relationships demonstrate that we have the commercial and technical capability and experience to reliably and consistently meet our customers' needs on a long-term basis. In May 2011, we signed a memorandum of understanding to make a minority equity investment of approximately \$30 million in Global Coke Limited, one of the leading metallurgical coke producers in India. In conjunction with the investment, we would provide operations, engineering and technology support to Global Coke. We have conducted due diligence in connection with the proposed transaction and are currently negotiating the proposed terms of our investment. Consummation of the transaction is subject to the approval of management of the respective parties, execution of definitive agreements and the satisfaction of customary closing conditions.

Continue to grow our North American cokemaking businesses. Integrated steelmakers in the United States and Canada have historically imported and are currently importing coke to fill a structural deficit in the market. This deficit has ranged between two and four million tons of coke per year from 2005 to 2009. These coke volumes have been and continue to be sourced in the international market, largely from Chinese suppliers, and as such are subject to significant price volatility. In addition to this capacity deficit, more than 25 percent of the cokemaking capacity in the United States and Canada, representing 5.7 million tons per year of capacity, is older than 40 years. We believe that a significant proportion of this aging capacity will require replacement in the coming decade to address facility conditions or meet more stringent environmental standards. We believe the combination of these factors—a structural domestic capacity deficit and aging capacity—present an attractive opportunity for our continued growth in North America. To facilitate the development of these opportunities, we plan to leverage our deep knowledge of the market and our relationships with all of the largest integrated steelmakers in North America. In support of this initiative, we are currently in the early stages of permitting a potential new U.S. cokemaking facility in Kentucky that we believe, if constructed, would produce up to 1.1 million tons of coke per year. We are also assessing alternative sites in other states for this project. In light of the current economic and business outlook, we expect to defer seeking customer commitments for this potential facility until we make further progress on obtaining permits, which we anticipate receiving in the latter half of 2012. Our ability to construct a new facility and to enter into new commercial arrangements is dependent upon market conditions in the steel industry. In addition to new growth opportunities, the completion of our Middletown facility is also an important component of our plan to increase the profitability and cash generation of our North American business. We expect that the facility will not only generate incremental earnings and cash

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flow but also will significantly diversify our earnings base. We anticipate that once our Middletown facility is in full production, none of our coke sales agreements will constitute more than approximately 20 percent of our overall operating income excluding corporate overhead costs, whereas our Jewell coke sales agreement accounted for nearly 80 percent of such income in 2010.

Reserve a portion of our cokemaking capacity in future projects for opportunistic market sales. All of our current cokemaking capacity is committed under long-term take-or-pay agreements. For our future projects we may seek to reserve a portion of the facility's overall cokemaking capacity for sales on the open market. We believe that, when combined with a base of long-term commitments, uncommitted capacity reserved for open market sales will provide an attractive opportunity to capture significant value during market up-cycles. We anticipate targeting approximately 5 to 10 percent of our overall coke sales volumes for sales in the open market. In particular, if we are successful in developing a new U.S. cokemaking facility, we may reserve a portion of the annual capacity at such facility for open market sales.

Maintain our technological advantage through the development or acquisition of new technologies. Our active engineering and technology development program is focused on maintaining our technological edge. This program is focused on adapting and improving our current cokemaking technology to meet the varying needs of customers in different regions and identifying new or adjacent technologies that could be developed or acquired to augment our offering and create additional growth opportunities. This program also provides a basis for continuous improvement in our current cokemaking operations.

Expand our domestic coal production. In January 2011, we acquired the HKCC Companies for approximately \$52 million including working capital and contingent consideration. This acquisition adds 21 million tons of proven and probable coal reserves located in Russell and Buchanan Counties in Virginia, contiguous to our existing metallurgical coal mining operations. An expansion plan is underway that we expect will increase our coal production from our underground mines. We had expected to increase annualized production by approximately 350,000 tons in 2012 and to reach a 500,000 ton annualized increase by mid-2013, increasing the annualized rate of coal sales to 2.0 million tons by mid-2013. Reflecting continued tightness in the Appalachian labor market, lower yields from existing and newly developed mine seams and higher costs related to new mining safety regulations, we plan to slow the ramp-up of the expansion plan and delay opening additional new mines until 2013. Increased headcount and additional equipment will be used to increase productivity and augment compliance activities at existing mines in 2012. We now anticipate coal production at our Jewell mines of approximately 1.05 million tons in 2011, approximately 1.15 million tons in 2012 and approximately 1.45 million tons in 2013. We continue to expect capital outlays for the expansion plan, primarily for new mining equipment, to total approximately \$30 million, of which \$10 million is expected to be spent in 2011.

In early June 2011, we entered into a series of coal transactions with Revelation. Under a contract mining agreement, Revelation will mine certain coal reserves at our Jewell coal mining operations that are not included in our current proven and probable reserve estimate. This coal will be mined, subject to the satisfaction of certain conditions, over a three-year period beginning late in the fourth quarter of 2011 and is now expected to produce approximately 1.2 million tons of coal over such period, rather than approximately 1.3 million tons, as previously reported. We anticipate 75 percent of production to be mid-volatility metallurgical coal, with the remaining 25 percent thermal coal. In addition, we intend to build a state-of-the-art rapid train coal loading facility in the proximity of our Jewell coal mining operations at an expected cost of approximately \$20 million, of which the majority is expected to be spent in 2012. Once completed, the throughput capacity of the loadout facility will be 2.6 million tons per year. The loadout facility will be operated by Revelation and rail service will be provided by Norfolk Southern.

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Maintain liquidity and financial flexibility to facilitate growth. Our core business model is predicated on providing alternatives for steelmakers to investing capital in captive coke production facilities. Consequently, our ability to grow requires significant capital investment for most projects and in turn requires a solid financial profile to support such investments. Our aim is to maintain liquidity and capital resources at levels that will permit us to continue to finance additional growth projects that are likely to require significant capital investment. Where appropriate, we also will pursue opportunities for attractive strategic partnerships and other project financing and structuring options, to maximize value for our stockholders and our customers.

Recent Developments

Spin-off from Sunoco

On December 1, 2011, Sunoco announced that its board of directors had declared a special stock dividend to Sunoco shareholders of the shares of our common stock it owns. The distribution of the special stock dividend will be made by means of a spin-off, which is a *pro rata* distribution by Sunoco of the shares of our common stock it owns to holders of Sunoco's common stock. The spin-off is scheduled to occur on January 17, 2012 and, upon completion of the spin-off, Sunoco will cease to own any shares of our common stock.

Indiana Harbor Facility

The Indiana Harbor facility is owned by a partnership, or the Partnership, in which we are the general partner. On September 30, 2011, we acquired the entire 19% ownership interest in the Partnership held by an affiliate of GE Capital for \$34.0 million. As a result of this transaction, we now hold an 85% interest in the Partnership. The remaining 15% interest in the Partnership is owned by an affiliate of DTE Energy Company.

The initial term of the Partnership's coke sales agreement with the customer ends on September 30, 2013. In preparation for negotiation of a new long-term contract, we are conducting an engineering study at the Partnership's Indiana Harbor facility to identify major maintenance projects necessary to facilitate a long-term contract renewal. In accordance with the preliminary findings of this engineering study, we now expect to spend approximately \$50 million in the 2011 through 2013 timeframe to refurbish the facility, rather than approximately \$50 million to \$100 million, as previously reported. This estimate does not include additional spending that may be required in connection with the settlement of the previously reported Notice of Violation, or NOV at the Indiana Harbor facility. The majority of the spending to complete this refurbishment will take place in 2012 and 2013 and will be contingent on reaching commercially agreeable terms for a long-term contract extension with our customer and the third-party investor in the Partnership. While we believe that there is a reasonable likelihood that we will reach agreement with our customer for a new long-term contract, such an agreement may not be reached.

Our customer also has a contractual relationship to purchase steam and electricity from Cokenergy, Inc., or Cokenergy, an independent power producer that owns and operates an energy facility, including heat recovery equipment, a flue gas desulfurization system and a power generation plant, that processes hot flue gas from the Partnership's Indiana Harbor facility to produce steam and electricity and to reduce the sulfur and particulate content of such flue gas. The Partnership also has an agreement with Cokenergy under which the Indiana Harbor facility supplies flue gas to Cokenergy and Cokenergy processes such flue gas. The agreement between the Partnership and Cokenergy ends on September 30, 2013. In the first six months of the final year of the agreement between the Partnership and Cokenergy the parties are obligated to negotiate in good faith for an extension to the term of the agreement. In the event that the parties cannot reach agreement on an extension of the term of the agreement, and subject to the rights of our customer to purchase the energy facility from Cokenergy, the Partnership may purchase the assets necessary for the continued operation of the Indiana Harbor cokemaking facility from Cokenergy at fair market value upon written notice to Cokenergy not later than six months prior to

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the expiration of the agreement. To the extent the Partnership does not exercise such right, Cokenergy at its option may either abandon or remove all or any of the heat recovery equipment of the energy facility.

Risk Factors

There are a number of risks that you should understand before making an investment decision in the exchange notes. These risks are discussed more fully in the section entitled "Risk Factors" following this prospectus summary. These risks include, but are not limited to:

Risks related to our operations generally, such as:

Unfavorable economic conditions could cause our customers to reduce their demand for our products, default on the debts they owe to us or defer contracted shipments of coke or coal.

Extensive laws and regulations, including those related to permits, environmental matters and health and safety, may increase our costs of conducting our cokemaking and coal mining businesses.

Equipment upgrades, equipment failures and depreciation of assets may lead to production curtailments, shutdowns or additional expenditures.

Risks related to our cokemaking business, such as:

Our customers operate in a competitive and cyclical industry, which may result in their default on, or failure to comply with, their contractual obligations to purchase coke, failure to extend their existing contracts with us, or enter into new long-term contracts with us that are less advantageous than our existing contracts with them.

Our current customer base is concentrated among three customers, with one customer, ArcelorMittal, accounting for approximately 69 percent of our total revenues in 2010.

Our domestic or international growth strategies to develop, design, construct, start up and operate new cokemaking facilities domestically or internationally may not be successfully implemented.

Risks related to our coal mining business, such as:

Coal prices are subject to change and a substantial or extended decline in prices could materially and adversely affect our profitability and the value of our coal reserves.

Extensive environmental and safety regulations impose significant costs on our coal mining operations, and future regulations could materially increase those costs, impose new or increased liabilities, limit our ability to produce and sell coal, or require us to change our operations significantly.

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Operating risks related to our coal mining operations that are beyond our control could result in a material increase in operating expenses and a decrease in production levels.

Corporate and Other Information

The Company was incorporated as SunCoke Energy, Inc. in December 2010 under the laws of the State of Delaware to acquire, own and operate the cokemaking and coal mining operations of Sunoco. Our principal executive offices are located at 1011 Warrenville Road, 6th Floor, Lisle, IL 60532. Our telephone number is +1 (630) 824-1000. Our website is *www.suncoke.com*. **The information and other content contained on our website is not incorporated by reference in this prospectus. You should not consider information and other content contained on our website to be a part of this prospectus.**

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Summary Terms of the Exchange Offer

The following is a brief summary of the terms of the exchange offer. For a more complete description of the exchange offer, see Exchange Offer.

General

On July 26, 2011, the Company issued an aggregate of \$400.0 million principal amount of 7⁵/₈% Senior Notes due 2019 in a private offering in connection with its IPO. In connection with the private offering, the Company and the subsidiary guarantors entered into a registration rights agreement with the initial purchasers in which they agreed, among other things, to deliver this prospectus to you and to complete the exchange offer within 360 days after the date of issuance of the outstanding notes.

The Exchange Offer

The Company is offering to exchange an aggregate principal amount of up to \$400,000,000 of outstanding 7⁵/₈% Senior Notes due 2019 issued in a private placement (which we refer to as the outstanding notes) for an equal principal amount of 7⁷/₈% Senior Notes due 2019 whose sale will be registered under the Securities Act (which we refer to as the exchange notes).

Expiration of the Exchange Offer; Withdrawal of Tender

The exchange offer will expire at 12:00 midnight, New York City time, at the end of _____, 201____, unless extended. The Company does not currently intend to extend the expiration of the exchange offer. You may withdraw your tender of outstanding notes in the exchange offer at any time before the expiration of the exchange offer. Any outstanding notes not accepted for exchange for any reason will be returned without expense to you promptly after the expiration or termination of the exchange offer.

Conditions to the Exchange Offer

The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered for exchange. The exchange offer is subject to customary conditions, which we may waive. See Exchange Offer Conditions for more information regarding the conditions to the exchange offer.

Procedures for Tendering Notes

To tender outstanding notes you must deliver a letter of transmittal and deliver the outstanding notes to the exchange agent. Delivery of the outstanding notes may be made by book-entry transfer to the exchange agent's account at the Depository Trust Company (DTC). If you hold your notes in book-entry form through DTC, then in lieu of the procedure for physical delivery of a letter of transmittal and delivery of outstanding notes, you may follow the procedures for the DTC's Automated Tender Offer Program (ATOP).

Specifically, to accept the exchange offer by delivery of a letter of transmittal and outstanding notes:

you must complete, sign and date the letter of transmittal, or a facsimile of the letter of transmittal, have the signature on the letter of transmittal guaranteed if the letter of transmittal so requires and

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deliver the letter of transmittal or facsimile to the exchange agent, including all the required documents, prior to the expiration of the exchange offer; and

either:

the exchange agent must receive the outstanding notes along with the letter of transmittal; or

the exchange agent must receive, before expiration of the exchange offer, timely confirmation of book-entry transfer of outstanding notes into the exchange agent's account at DTC, according to the procedure for book-entry transfer described in Exchange Offer Methods of Delivering Outstanding Notes Book-Entry Transfer ; or

you must comply with the guaranteed delivery procedures described in Exchange Offer Methods of Delivering Outstanding Notes Guaranteed Delivery Procedures.

If you hold your outstanding notes in book-entry form through DTC, in lieu of the above procedures:

you may instruct DTC, in accordance with the ATOP system, to transmit on your behalf a computer-generated message to the exchange agent in which the holder of the outstanding notes acknowledges and agrees to be bound by the terms of the letter of transmittal, which computer-generated message must be received by the exchange agent prior to 12:00 midnight, New York City time, at the end of the expiration date; and

the exchange agent must receive, before expiration of the exchange offer, timely confirmation of book-entry transfer of outstanding notes into the exchange agent's account at DTC, according to the procedure for book-entry transfer described in Exchange Offer Methods of Delivering Outstanding Notes Book-Entry Transfer.

Special Procedures for Beneficial Owners

If you are a beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you want to tender outstanding notes in the exchange offer, you should contact the registered owner promptly and instruct the registered holder to tender on your behalf. If you wish to tender on your own behalf, you must, before completing and executing the letter of transmittal and delivering your outstanding notes, either make appropriate arrangements to register ownership of the outstanding notes in your name or obtain a properly completed bond power from the registered holder. See Exchange Offer Procedures for Tendering.

Guaranteed Delivery Procedures

If you wish to tender your outstanding notes, and time will not permit your required documents to reach the exchange agent by the expiration of the exchange offer, or the procedure for book-entry transfer cannot be completed on time, you may tender your outstanding notes under the

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procedures described under Exchange Offer Methods of Delivery of Outstanding Notes Guaranteed Delivery Procedures.

Consequences of Failure to Exchange

Any outstanding notes that are not tendered in the exchange offer, or that are not accepted in the exchange, will remain subject to the restrictions on transfer set forth in the Indenture and described in the Offering Memorandum dated July 20, 2011 (which we refer to as the Offering Memorandum). Since the outstanding notes have not been registered under the U.S. federal securities laws, you will not be able to offer or sell the outstanding notes except under an exemption from the requirements of the Securities Act or unless the outstanding notes are registered under the Securities Act. Upon the completion of the exchange offer, we will have no further obligations, except under limited circumstances, to provide for registration of the outstanding notes under the U.S. federal securities laws. See Exchange Offer Consequences of Failure to Tender.

Material U.S. Federal Income Tax Considerations

The exchange of outstanding notes for exchange notes pursuant to the exchange offer should not constitute a taxable exchange for U.S. federal income tax purposes. See Material U.S. Federal Income Tax Considerations.

Transferability

Under existing interpretations of the Securities Act by the staff of the SEC contained in several no-action letters to third parties, and subject to the immediately following sentence, we believe that the exchange notes will generally be freely transferable by holders after the exchange offer without further compliance with the registration and prospectus delivery requirements of the Securities Act (subject to certain representations required to be made by each holder of outstanding notes, as set forth under Exchange Offer Procedures for Tendering). However, any holder of outstanding notes who:

is one of our affiliates (as defined in Rule 405 under the Securities Act),

does not acquire the exchange notes in the ordinary course of business,

distributes, intends to distribute, or has an arrangement or understanding with any person to distribute the exchange notes as part of the exchange offer, or

is a broker-dealer who purchased outstanding notes from us in the initial offering of the outstanding notes for resale pursuant to Rule 144A or any other available exemption under the Securities Act,

will not be able to rely on the interpretations of the staff of the SEC, will not be permitted to tender outstanding notes in the exchange offer and, in the absence of any exemption, must comply with the

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registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.

The Company's belief that transfers of exchange notes would be permitted without registration or prospectus delivery under the conditions described above is based on SEC interpretations given to other, unrelated issuers in similar exchange offers. We cannot assure you that the SEC would make a similar interpretation with respect to our exchange offer. We will not be responsible for or indemnify you against any liability you may incur under the Securities Act.

Each broker-dealer that receives exchange notes for its own account under the exchange offer in exchange for outstanding notes that were acquired by the broker-dealer as a result of market-making or other trading activity must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. See Plan of Distribution.

Use of Proceeds

We will not receive any cash proceeds from the issuance of the exchange notes pursuant to the exchange offer.

Exchange Agent

The Bank of New York Mellon Trust Company, N.A. is the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth under Exchange Offer Exchange Agent.

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The Notes

The following summary contains basic information about the notes and is not intended to be complete. In this summary of the exchange offer, Company, we, our and us refer only to SunCoke Energy, Inc. and any successor obligor, and not to any of its subsidiaries. The terms of the exchange notes are identical in all material respects to the terms of the outstanding notes, except that the exchange notes will not contain terms with respect to transfer restrictions or additional interest upon a failure to fulfill certain of our obligations under the registration rights agreement and the exchange notes will have a different CUSIP. The exchange notes will evidence the same debt as the outstanding notes. The exchange notes will be governed by the same Indenture under which the outstanding notes were issued.

The following summary is not intended to be a complete description of the terms of the exchange notes. For a more complete understanding of the notes and the guarantees, please refer to the section entitled "Description of Notes" in this prospectus.

Company	SunCoke Energy, Inc.
Exchange notes offered	\$400,000,000 aggregate principal amount of 7 5/8% Senior Notes due 2019.
Maturity date	August 1, 2019.
Interest rate	7.625% per year.
Interest payment dates	August 1 and February 1, commencing February 1, 2012. No interest will be paid on outstanding notes following their acceptance for exchange.
Optional redemption	<p>The notes will be redeemable at our option, in whole or in part, at any time on or after August 1, 2014, at the redemption prices set forth in this prospectus, together with accrued and unpaid interest, if any, to the date of redemption.</p> <p>At any time prior to August 1, 2014, we may redeem up to 35% of the original principal amount of the notes with the proceeds of certain equity offerings at a redemption price of 107.625% of the principal amount of the notes, together with accrued and unpaid interest, if any, to the date of redemption.</p> <p>At any time prior to August 1, 2014, we may also redeem some or all of the notes at a price equal to 100% of the principal amount of the notes, plus accrued and unpaid interest, if any, to the date of redemption plus a make-whole premium.</p>
Mandatory offers to purchase	The occurrence of a change of control will be a triggering event requiring us to offer to purchase from you all or a portion of your notes at a price equal to 101% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase.

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Certain asset dispositions will be triggering events that may require us to use the proceeds from those asset dispositions to make an offer to

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purchase the notes at 100% of their principal amount, together with accrued and unpaid interest, if any, to the date of purchase if such proceeds are not otherwise used within 450 days to repay indebtedness (with a corresponding permanent reduction in commitment, if applicable) or committed within 450 days to be invested in certain assets related to our business or capital stock of a person engaged in a permitted business (as defined under the heading "Description of Notes") that becomes a restricted subsidiary (as defined under the heading "Description of Notes") and so invested within 270 days of the end of such 450 day period.

Guarantees

The exchange notes will be guaranteed on a senior unsecured basis by each restricted subsidiary of the Company that guarantees our credit facilities. See "Description of Notes - Guarantees."

For the nine months ended September 30, 2011, our non-guarantor subsidiaries:

represented approximately 33% of our net revenues and

represented approximately (24)% of operating income.

As of September 30, 2011, our non-guarantor subsidiaries:

represented 14% of our total assets and

had \$64.4 million of total liabilities, including trade payables but excluding intercompany liabilities.

Ranking

The exchange notes and subsidiary guarantees will be the Company's and the subsidiary guarantors' unsecured unsubordinated obligations and:

will rank equally in right of payment with all of our and the subsidiary guarantors' existing and future indebtedness that is not by its terms expressly subordinated in right of payment to the exchange notes;

will rank senior in right of payment to all of our and the subsidiary guarantors' existing and future indebtedness that is by its terms expressly subordinated in right of payment to the exchange notes;

will be effectively subordinated to any of our and the subsidiary guarantors' existing and future secured debt, to the extent of the value of the assets securing such debt; and

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will be structurally subordinated to all of the existing and future liabilities (including trade payables) of each of the Company's subsidiaries that do not guarantee the exchange notes.

As of September 30, 2011:

we had approximately \$697.8 million of indebtedness, consisting of the outstanding notes and borrowings under our senior credit facilities, which borrowings would have ranked equally with the outstanding notes;

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of our total indebtedness, we had approximately \$297.8 million of secured indebtedness, which consisted of the borrowings under our senior credit facilities, to which the notes would have been effectively subordinated;

we had commitments available to be borrowed under the credit facilities of \$150.0 million, up to \$75.0 million in uncommitted incremental facilities and no outstanding letters of credit; and

our non-guarantor subsidiaries had \$64.4 million of total liabilities (including trade payables), all of which would have been structurally senior to the exchange notes.

Covenants

The exchange notes will be governed by the same Indenture under which the outstanding notes were issued. The Indenture governing the outstanding notes and exchange notes contains covenants that, among other things, limit the ability of the Company and its restricted subsidiaries to:

incur additional indebtedness;

pay dividends or make other distributions on or repurchase or redeem our capital stock;

prepay, redeem or repurchase certain debt;

make loans and investments;

sell assets;

incur liens;

enter into transactions with affiliates;

enter into agreements restricting the Company's subsidiaries' ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

These covenants will be subject to a number of important exceptions and qualifications. For more details, see Description of Notes.

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Certain covenants will cease to apply to the notes during the period that the notes maintain investment grade ratings from both Moody's and S&P; provided that no event of default has occurred and is continuing.

No prior market

The exchange notes will generally be freely transferable (subject to certain restrictions discussed in Exchange Offer) but will be a new issue of securities for which there will not initially be a market. Accordingly, there can be no assurance as to the development or liquidity of any market for the exchange notes. The initial purchasers in the private offering of the outstanding notes have advised us that they currently intend to make a market for the exchange notes, as permitted by applicable laws and regulations. However, they are not obligated to do so.

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and may discontinue any such market making activities at any time without notice. We do not intend to apply for a listing of the exchange notes on any securities exchange or automated dealer quotation system.

Use of proceeds

We will not receive any proceeds from the exchange offer. See Use of Proceeds.

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Summary Historical and Pro Forma Financial and Operating Data

The following table sets forth certain of our summary historical and pro forma financial and operating data. We derived our summary historical financial data as of December 31, 2010 and 2009, and for the years ended December 31, 2010, 2009 and 2008 from our audited combined financial statements, included elsewhere in this prospectus. We derived our summary historical financial data as of September 30, 2011 and 2010 from our unaudited combined and consolidated financial statements included elsewhere in this prospectus.

Our financial statements include allocations of costs from certain corporate and shared services functions provided to us by Sunoco, as well as costs associated with participation by certain of our executives in Sunoco's benefit and management incentive plans. The allocation methods for corporate and shared services costs vary by function but generally consist of one of the following: level of support required, usage, headcount or historical costs of assets. The employee benefit costs are allocated as a percentage of the executives' actual pay while the incentive plan costs represented the actual costs associated with the executives.

The financial statements included in this prospectus may not necessarily reflect our financial position, results of operations and cash flows as if we had operated as a stand-alone public company during the periods presented. Accordingly, our historical results should not be relied upon as an indicator of our future performance.

The summary unaudited pro forma financial data is derived from our pro forma statement of income for the nine months ended September 30, 2011 as well as our pro forma statement of income for the year ended December 31, 2010, included elsewhere in this prospectus. We derived our summary pro forma financial statements by application of pro forma adjustments to our historical financial statements included elsewhere in this prospectus. The unaudited pro forma statements of income give effect to the transactions described elsewhere in this prospectus as if they had occurred as of January 1, 2010.

Our summary unaudited pro forma financial statements have been prepared to reflect adjustments to our historical financial information that are attributable to our separation activities from Sunoco and to the IPO, described in more detail elsewhere in this prospectus. The adjustments attributable to our separation activities reflect changes that will take place to enable us to operate separately from Sunoco, including changes in our capital structure.

The pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable. The summary unaudited pro forma financial data are for illustrative and informational purposes only and do not purport to represent what the financial position or results of operations would have been if we had operated as a stand-alone public company during the periods presented or if the transactions described above had actually occurred as of the dates indicated, nor does it project the financial position at any future date or the results of operations or cash flows for any future period.

The following table includes one financial measure, Adjusted EBITDA, which we use in our business and is not calculated or presented in accordance with GAAP, but we believe such measure is useful to help investors understand our results of operations. We explain this measure and reconcile it to our net income, which is its most directly comparable financial measure calculated and presented in accordance with GAAP in note (4) to the following table.

The information below should be read in conjunction with Use of Proceeds, Capitalization, Selected Historical Financial and Operating Data, Unaudited Pro Forma Combined and Consolidated Financial Statements, Management's Discussion and Analysis of Financial Condition and Results of Operations, Arrangements Between Sunoco and Our Company, our audited financial statements and related notes and our unaudited combined and consolidated financial statements and related notes included elsewhere in this prospectus.

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	Historical				Pro Forma			
					Nine			
					Months			
	Years Ended December 31,			Nine Months Ended		Year	Year	
	2010	2009	2008	September 30,		Ended	Ended	
				2011	2010	December 31,	September 30,	
				(unaudited)	(unaudited)	(unaudited)	(unaudited)	
(Dollars and shares in thousands, except per share data)								
Income Statement Data:								
Revenues								
Sales and other operating revenue	\$ 1,316,547	\$ 1,124,016	\$ 838,936	\$ 1,113,724	\$ 1,009,197	\$ 1,316,547	\$ 1,113,724	
Other income, net ⁽¹⁾	10,046	20,970	1,315	1,051	180	10,046	1,051	
Total revenues	1,326,593	1,144,986	840,251	1,114,775	1,009,377	1,326,593	1,114,775	
Costs and operating expenses								
Cost of products sold and operating expenses	1,036,944	860,830	630,771	933,266	773,510	1,036,944	933,266	
Loss on firm purchase commitments				18,544			18,544	
Selling, general and administrative expenses	67,232	40,205	34,244	64,803	41,537	72,012	68,388	
Depreciation, depletion and amortization	48,157	32,323	24,554	42,377	35,832	48,157	42,377	
Total costs and operating expenses	1,152,333	933,358	689,569	1,058,990	850,879	1,157,113	1,062,575	
Operating income	174,260	211,628	150,682	55,785	158,498	169,480	52,200	
Interest income affiliate	23,687	24,063	27,351	12,485	17,965			
Interest income	35	447	218	284	33	35	284	
Interest cost affiliate	(5,435)	(5,663)	(11,187)	(3,565)	(4,422)			
Interest cost				(8,860)		(46,150)	(34,613)	
Capitalized interest	701	1,493	3,999	5,344	421	7,777	16,277	
Total financing income (expense), net	18,988	20,340	20,381	5,688	13,997	(38,338)	(18,052)	
Income before income tax expense	193,248	231,968	171,063	61,473	172,495	131,142	34,148	
Income tax expense	46,942	20,732	38,131	10,093	41,266	25,826	1,268	
Net income	146,306	211,236	132,932	51,380	131,229	105,316	32,880	
Less: Net income (loss) attributable to noncontrolling interests ⁽²⁾	7,107	21,552	19,028	(1,226)	10,466	7,107	(1,226)	
Net income attributable to net parent investment/SunCoke Energy, Inc. stockholders	\$ 139,199	\$ 189,684	\$ 113,904	\$ 52,606	\$ 120,763	\$ 98,209	\$ 34,106	
Earnings per common share ⁽³⁾ (unaudited):								
Basic	\$ 1.99	\$ 2.71	\$ 1.63	\$ 0.75	\$ 1.73	\$ 1.40	\$ 0.49	
Diluted	\$ 1.99	\$ 2.71	\$ 1.63	\$ 0.75	\$ 1.73	\$ 1.40	\$ 0.49	
Weighted-average shares of common stock outstanding ⁽³⁾ :								
Basic	70,000	70,000	70,000	70,000	70,000	70,000	70,000	
Diluted	70,000	70,000	70,000	70,000	70,000	70,000	70,000	
Other Financial Data								
Adjusted EBITDA ⁽⁴⁾	\$ 227,293	\$ 230,205	\$ 157,256	\$ 109,036	\$ 192,679	\$ 222,513	\$ 105,451	
Cash Flows Data:								
Net cash provided by operating activities	\$ 296,603	\$ 187,246	\$ 171,330	\$ 58,679	\$ 253,925			
Net cash used in investing activities	\$ (213,921)	\$ (215,106)	\$ (304,469)	\$ (221,792)	\$ (135,761)			

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Net cash provided by (used in) financing activities	\$ (45,331)	\$ 7,619	\$ 133,703	\$ 233,871	\$ (102,636)
Capital expenditures:					
Ongoing ⁽⁵⁾	\$ 45,943	\$ 28,218	\$ 15,545	\$ 29,852	\$ 29,758
Expansion ⁽⁶⁾	169,714	186,976	288,928	154,365	106,075
Total	\$ 215,657	\$ 215,194	\$ 304,473	\$ 184,217	\$ 135,833

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	Historical			Pro Forma	
	Years Ended December 31,			Nine Months Ended	
	2010	2009	2008	September 30,	Nine Months Ended
			2011	2010	Year Ended
			(unaudited)	(unaudited)	December 31,
					2010
					(unaudited)
					September 30,
					2011
					(unaudited)
(Dollars and shares in thousands, except per share data)					
Balance Sheet Data (at period end):					
Properties, plants and equipment, net ⁽⁷⁾	\$ 1,180,208	\$ 1,012,771	\$ 826,072	\$ 1,416,279	\$ 1,112,739
Total assets	\$ 1,718,466	\$ 1,546,686	\$ 1,312,905	\$ 1,879,194	\$ 1,627,933
Total debt, including current portion, due to affiliates	\$ 944,325	\$ 434,269	\$ 408,039	\$	\$ 886,385
Total debt, including current portion, due to unrelated parties	\$	\$	\$	\$ 697,784	\$
Net parent investment/SunCoke Energy, Inc. stockholders' equity	\$ 369,541	\$ 741,994	\$ 552,412	\$ 569,432	\$ 347,041
Coke Operating Data:					
Owned and Operated Capacity Utilization (%)	97	90	95	100	97
Domestic coke sales volumes owned and operated plants (thousands of tons)	3,638	2,813	2,628	2,767	2,726
International coke production operated plant (thousands of tons)	1,636	1,263	1,581	1,149	1,266
Coal Operating Data⁽⁸⁾:					
Coal sales (thousands of tons):					
Internal use	1,275	1,189	1,170	865	995
Third parties	2	25	63	226	
Total	1,277	1,214	1,233	1,091	955
Coal production (thousands of tons)	1,104	1,134	1,179	1,015	846

- (1) Includes preferred dividend income from our investment in the company which owns the coke facility we operate in Brazil of \$9.5 and \$19.0 million for the years ended December 31, 2010 and 2009, respectively.
- (2) Represents amounts attributable to third-party investors in our Indiana Harbor cokemaking operations.
- (3) The weighted average number of common shares outstanding for all periods presented includes 70.0 million shares of common stock owned by Sunoco on the Separation Date as a result of its contribution of the assets of its cokemaking and coal mining operations to SunCoke Energy, Inc. and related capitalization. For the nine-month period ended September 30, 2011, diluted earnings per share is calculated to give effect to share-based compensation awards granted in connection with the IPO, using the treasury stock method. There is no difference between basic and diluted earnings per share for the periods presented, since there were no dilutive securities outstanding during these periods.

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- (4) EBITDA represents earnings before interest, taxes, depreciation, depletion and amortization. Our EBITDA for all periods presented reflects sales discounts included as a reduction in sales and other operating revenue in our combined and consolidated statements of income. These sales discounts represent the sharing with our customers of a portion of nonconventional fuels tax credits, which reduce our income tax expense. However, we believe that 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 which is not included in EBITDA. Accordingly, in computing our Adjusted EBITDA, we have added back these sales discounts. Our Adjusted EBITDA also reflects the deduction of income attributable to noncontrolling interests in our Indiana Harbor cokemaking operations. As a result of these adjustments, our Adjusted EBITDA may not be comparable to EBITDA or similarly titled measures of other entities as other entities may not calculate EBITDA in the same manner as we do. Adjusted EBITDA does not represent and should not be considered an alternative to net income under GAAP. The following table (unaudited) reconciles Net Income to EBITDA and Adjusted EBITDA:

	Historical			Nine Months Ended		Pro Forma		
	Years Ended December 31,			September 30,		Year	Nine	
	2010	2009	2008	2011	2010	Ended	Months	
						December 31,	September 30,	
						2010	2011	
	(Dollars in thousands, except per share data)							
Net income	\$ 146,306	\$ 211,236	\$ 132,932	\$ 51,380	\$ 131,229	\$ 105,316	\$ 32,880	
Add: Depreciation, depletion and amortization	48,157	32,323	24,554	42,377	35,832	48,157	42,377	
Subtract: Interest income (primarily from affiliates)	(23,722)	(24,510)	(27,569)	(12,769)	(17,998)	(35)	(284)	
Add: Interest cost affiliates	5,435	5,663	11,187	3,565	4,422			
Add: Interest cost				8,860		46,150	34,613	
Subtract: Capitalized interest	(701)	(1,493)	(3,999)	(5,344)	(421)	(7,777)	(16,277)	
Add: Income tax expense	46,942	20,732	38,131	10,093	41,266	25,826	1,268	
EBITDA	222,417	243,951	175,236	98,162	194,330	217,637	94,577	
Add: Sales discounts provided to customers due to sharing of nonconventional fuels tax credits	11,983	7,806	1,048	9,648	8,815	11,983	9,648	
Add (Subtract): Net (income) loss attributable to noncontrolling interests	(7,107)	(21,552)	(19,028)	1,226	(10,466)	(7,107)	1,226	
Adjusted EBITDA	\$ 227,293	\$ 230,205	\$ 157,256	\$ 109,036	\$ 192,679	\$ 222,513	\$ 105,451	

- (5) Ongoing capital expenditures are capital expenditures made to replace partially or fully depreciated assets in order to maintain the existing operating capacity of the assets and/or to extend their useful lives. Ongoing capital expenditures also include new equipment which improves the efficiency, reliability or effectiveness of existing assets. Ongoing capital expenditures do not include normal repairs and maintenance expenses which are expensed as incurred.
- (6) Expansion capital expenditures are capital expenditures made to construct new facilities as well as spending to acquire new facilities or assets which are complementary to our existing assets.
- (7) Includes lease and mineral rights and other intangibles.
- (8) Includes production from company and contractor operated mines.

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RISK FACTORS

You should carefully consider each of the following risks and all of the other information set forth in this prospectus before participating in the exchange offer. In addition, past financial performance may not be a reliable indicator of future performance and historical trends should not be used to anticipate results or trends in future periods. If any of the following risks and uncertainties develops into actual events, our business, financial condition or results of operations could be materially and adversely affected.

Risks Related to the Exchange Offer

If you choose not to exchange your outstanding notes in the exchange offer, the transfer restrictions currently applicable to your outstanding notes will remain in force and the market price of your outstanding notes could decline.

If you do not exchange your outstanding notes for exchange notes in the exchange offer, then you will continue to be subject to the transfer restrictions on the outstanding notes as set forth in the Offering Memorandum distributed in connection with the private offering of the outstanding notes. In general, the outstanding notes may not be offered or sold unless they are registered or exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act.

If you do not exchange your outstanding notes for exchange notes in the exchange offer and other holders of outstanding notes tender their outstanding notes in the exchange offer, the total principal amount of the outstanding notes remaining after the exchange offer will be less than it was prior to the exchange offer, which may have an adverse effect upon and increase the volatility of, the market price of the outstanding notes due to reduction in liquidity.

Your ability to transfer the notes may be limited by the absence of an active trading market, and an active trading market may not develop for the notes.

The exchange notes are a new issue of securities for which there is no established trading market. We do not intend to have the exchange notes listed on a national securities exchange or to arrange for quotation on any automated quotation system. The initial purchasers have advised us that they intend to make a market in the exchange notes, as permitted by applicable laws and regulations; however, the initial purchasers are not obligated to make a market in the exchange notes, and they may discontinue their market-making activities at any time without notice. Therefore, we cannot assure you as to the development or liquidity of any trading market for the exchange notes. The liquidity of any market for the exchange notes will depend on a number of factors, including:

the number of holders of exchange notes;

our operating performance and financial condition;

the market for similar securities;

the interest of securities dealers in making a market in the exchange notes; and

prevailing interest rates.

Historically, the market for non-investment grade debt has been subject to disruptions that have caused substantial volatility in the prices of securities similar to the exchange notes. The market, if any, for the exchange notes may face similar disruptions that may adversely affect the prices at which you may sell your exchange notes. Therefore, you may not be able to sell your exchange notes at a particular time and the price that you receive when you sell may not be favorable.

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You may not receive the exchange notes in the exchange offer if the exchange offer procedures are not properly followed.

We will issue the exchange notes in exchange for your outstanding notes only if you properly tender the outstanding notes before expiration of the exchange offer. Neither we nor the exchange agent are under any duty to give notification of defects or irregularities with respect to the tenders of the outstanding notes for exchange. If you are the beneficial holder of outstanding notes that are held through your broker, dealer, commercial bank, trust company or other nominee, and you wish to tender such notes in the exchange offer, you should promptly contact the person or entity through which your outstanding notes are held and instruct that person or entity to tender on your behalf.

Broker-dealers may become subject to the registration and prospectus delivery requirements of the Securities Act and any profit on the resale of the exchange notes may be deemed to be underwriting compensation under the Securities Act.

Any broker-dealer that acquires exchange notes in the exchange offer for its own account in exchange for outstanding notes which it acquired through market-making or other trading activities must acknowledge that it will comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction by that broker-dealer. Any profit on the resale of the exchange notes and any commission or concessions received by a broker-dealer may be deemed to be underwriting compensation under the Securities Act.

Risks Related to Our Operations

Unfavorable economic conditions may cause our customers to reduce their demand for our products or default on their obligations to us, both of which could adversely affect our cash flows, financial position or results of operations.

Economic conditions in the United States and throughout much of the world experienced a sudden, sharp downturn in 2008 and 2009. If such unfavorable economic conditions were to occur again, certain of our metallurgical coke customers may reduce their demand for our coke and coal, seek to delay shipments, or may struggle or fail to meet their obligations to us, especially if they experience defaults on receivables due from their customers. Our steel industry customers experience significant fluctuations in demand for steel products because of economic conditions, consumer demand, raw material and energy costs, and decisions by the U.S. federal and state governments to fund or not fund infrastructure projects, such as highways, bridges, schools, energy plants, railroads and transportation facilities. Unfavorable economic conditions, including the reduced availability of credit, may cause a reduction in the demand for steel products, which, in turn, could adversely affect our customers' demand for our products. During periods of weak demand for steel or coal, our customers may seek to renegotiate or cancel their existing coke and coal purchase commitments to us, or decline to renew existing agreements with us when such agreements expire. As a result, we may not be able to sell all the coke and coal that we produce.

Future disruptions of the credit markets may result in financial instability of some of our customers and, in some cases, lead to their insolvency and/or bankruptcy. Such instability could cause our customers to default on their obligations to us. In addition, competition with other suppliers of coke or coal could force us to extend credit to customers and on terms that could increase the risk of payment default. Any of these events ultimately could have an adverse effect on our cash flows, financial position or results of operations.

We are subject to extensive laws and regulations, which may increase our cost of doing business and have an adverse effect on our cash flows, financial position or results of operations.

Environmental, Health and Safety Laws

Our operations are subject to increasingly strict regulation by federal, state and local authorities with respect to protection of the environment and health and safety matters, including those legal requirements pursuant to the

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Clean Air Act and other laws that govern discharges of substances into the air and water, the management and disposal of hazardous substances and wastes, the cleanup of contaminated sites, the protection of groundwater quality and availability, plant and wildlife protection, reclamation and restoration of properties after mining or drilling is completed, the installation of various safety equipment in our facilities, control of surface subsidence from underground mining protection of employee health and safety. Complying with these requirements, including the terms of our permits, can be costly and time-consuming, and may delay commencement or continuation of exploration or production operations.

Failure to comply with these regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of cleanup and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could limit our operations. We may not have been, or may not be, at all times, in complete compliance with all of these requirements, and we may incur material costs or liabilities in connection with these requirements, or in connection with remediation at sites we own, or third-party sites where it has been alleged that we have liability, in excess of the amounts we have accrued. In addition, these requirements are complex, change frequently and have tended to become more stringent over time. These requirements may change in the future in a manner that could have a material adverse effect on our business. For a description of certain environmental laws and matters applicable to us, see [Business Legal and Regulatory Requirements](#).

In addition, greenhouse gas emissions may be subject to future federal regulation. The EPA has begun to implement greenhouse gas-related reporting and permitting rules, and the U.S. Congress has considered cap and trade legislation that would establish an economy-wide cap on emissions of greenhouse gases and require most sources of greenhouse gas emissions to obtain greenhouse gas emission allowances corresponding to their annual emissions of greenhouse gases. Federal or state regulations requiring us, or our customers, to employ expensive technology to capture and sequester carbon dioxide could adversely affect our future revenues, or profitability.

Healthcare Laws

The Patient Protection and Affordable Care Act, or PPACA, which was implemented in 2010, amended previous legislation related to coal workers' black lung obligations. PPACA provides for the automatic extension of awarded lifetime benefits to surviving spouses and changes the legal criteria used to assess and award claims. Our obligation related to black lung benefits is estimated based on various assumptions, including actuarial estimates, discount rates, and changes in health care costs. We are currently evaluating the impact of PPACA based on available trend rates and other current information. We have not concluded our evaluation but believe that the impact of PPACA, coupled with anticipated changes in discount rates and other assumptions, may increase our black lung benefit obligation by approximately \$4 to \$6 million. We anticipate that we will complete our evaluation in the fourth quarter of 2011. A substantial increase in costs as a result of this legislation, and the related regulations, could have a potentially adverse effect on our financial condition or results of operations.

Equipment upgrades, equipment failures and deterioration of assets may lead to production curtailments, shutdowns or additional expenditures.

Our cokemaking and coal mining operations depend upon critical pieces of equipment that occasionally may be out of service for scheduled upgrades or maintenance or as a result of unanticipated failures. Our facilities are subject to equipment failures and the risk of catastrophic loss due to unanticipated events such as fires, accidents or violent weather conditions. As a result, we may experience interruptions in our processing and production capabilities, which could have a material adverse effect on our results of operations and financial condition.

In addition, assets critical to the operations of our cokemaking and coal mining operations, including our cokemaking facilities and equipment and our coal mines, may deteriorate or become depleted materially sooner than we currently estimate. Such deterioration of assets may result in additional maintenance spending or

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additional capital expenditures. If these assets do not generate the amount of future cash flows that we expect, and we are not able to procure replacement assets in an economically feasible manner, our future results of operations may be materially and adversely affected.

We are also required to perform impairment tests on our assets whenever events or changes in circumstances lead to a reduction of the estimated useful life or estimated future cash flows that would indicate that the carrying amount may not be recoverable or whenever management's plans change with respect to those assets. If we are required to incur impairment charges in the future, our results of operations in the period taken could be materially and adversely affected.

We may be unable to obtain, maintain or renew permits or leases necessary for our operations, which could materially reduce our production, cash flow or profitability.

Our cokemaking facilities and coal mining operations require us to obtain a number of permits that impose strict regulations on various environmental and operational matters in connection with cokemaking and coal mining. These include permits used by various federal, state and local agencies and regulatory bodies. The permitting rules, and the interpretations of these rules, are complex, change frequently, and are often subject to discretionary interpretations by our regulators, all of which may make compliance more difficult or impractical, and may possibly preclude the continuance of ongoing operations or the development of future cokemaking facilities or coal mines. The public, including non-governmental organizations, environmental groups and individuals, have certain statutory rights to comment upon and submit objections to requested permits and environmental impact statements prepared in connection with applicable regulatory processes, and otherwise engage in the permitting process, including bringing citizens' lawsuits to challenge the issuance of permits, the validity of environmental impact statements or performance of cokemaking or coal mining activities. For example, environmental groups have challenged our permit-to-install, or PTI, for our Middletown, Ohio facility on the basis that the facility fails to satisfactorily meet the requirements of the Clean Air Act. If this challenge succeeds, or any permits or leases are not issued or renewed in a timely fashion or at all, or if permits issued or renewed are conditioned in a manner that restricts our ability to efficiently and economically conduct our cokemaking or coal mining operations, our cash flows or profitability could be materially and adversely affected.

Our businesses are subject to inherent risks, some for which we maintain third-party insurance and some for which we self-insure. We may incur losses and be subject to liability claims that could have a material adverse effect on our financial condition, results of operations or cash flows.

We currently maintain insurance policies through Sunoco that provide limited coverage for some, but not all, of the potential risks and liabilities associated with our businesses. For some risks, we may not obtain

insurance if we believe the cost of available insurance is excessive relative to the risks presented. As a result of market conditions, premiums and deductibles for certain insurance policies can increase substantially, and in some instances, certain insurance may become unavailable or available only for reduced amounts of coverage. As a result, we may not be able to renew our existing insurance policies or procure other desirable insurance on commercially reasonable terms, if at all. In addition, certain environmental and pollution risks generally are not fully insurable. Even where insurance coverage applies, insurers may contest their obligations to make payments. Our insurance costs may increase and certain coverages may be unavailable if we are no longer participating in Sunoco's insurance plans or programs. Our financial condition, results of operations and cash flows could be materially and adversely affected by losses and liabilities from un-insured or under-insured events, as well as by delays in the payment of insurance proceeds, or the failure by insurers to make payments.

We also may incur costs and liabilities resulting from claims for damages to property or injury to persons arising from our operations. We must compensate employees for work-related injuries. If we do not make adequate provision for our workers' compensation liabilities, it could harm our future operating results. If we are pursued for these sanctions, costs and liabilities, our operations and our profitability could be adversely affected.

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Our operating results have been and may continue to be affected by fluctuations in our costs of production, and, if we cannot pass increases in our costs of production to our customers, our financial condition, results of operations and cash flows may be negatively affected.

Over the course of the last two to three years, many of the components of our cost of produced coke and coal revenues, including cost of supplies, equipment and labor, have experienced significant price inflation, and such price inflation may continue in the future. Our coal mining operations, for example, require a reliable supply of mining and industrial equipment, replacement parts, fuel and steel-related products, including roof control and lubricants. The supplier base providing such mining materials and equipment has been relatively consistent in recent years, although there continues to be consolidation, resulting in a situation where purchases of certain underground mining equipment are concentrated in single suppliers. The price of such components is also highly volatile. Our profit margins may be reduced and our financial condition, results of operations and cash flows may be adversely affected if the costs of production increase significantly and we cannot pass such increases in our costs of production to our customers.

If we fail to maintain satisfactory labor relations, we may be adversely affected. Union represented labor creates an increased risk of work stoppages and higher labor costs.

If some, or all, of our non-union operations become unionized, we may be subject to an increased risk of work stoppages, other labor disputes and higher labor costs, which may adversely affect the stability of production and reduce our future revenues, or profitability. Legislation has been proposed to the U.S. Congress to enact a law allowing for workers to choose union representation solely by signing election cards, which would eliminate the use of secret ballots to elect union representation. While the impact is uncertain, if such legislation is enacted into law, it will be administratively easier for labor unions to organize into collective bargaining units and may lead to more of our operations becoming unionized.

We have obligations for long-term employee plan benefits that may involve expenses that are greater than we have assumed.

We are required to provide various long-term employee benefits to retired employees and current employees who will retire in the future. At December 31, 2010, these obligations included:

pension benefits of \$30.9 million; and

post retirement medical and life insurance of \$46.8 million.

We have estimated certain of these unfunded obligations based on actuarial assumptions described in the notes to our financial statements. However, if our assumptions are inaccurate, we could be required to expend materially greater amounts than anticipated. Approximately 98 percent of the pension benefits were funded on an accounting basis at December 31, 2010, while the post-retirement medical and life insurance obligations are unfunded. If we are required to expend materially greater amounts than anticipated, it could have a material and adverse effect on our financial condition, results of operations and cash flows.

We currently are, and likely will be, subject to litigation, the disposition of which could have a material adverse effect on our cash flows, financial position or results of operations.

The nature of our operations exposes us to possible litigation claims in the future, including disputes relating to our operations and commercial and contractual arrangements. Although we make every effort to avoid litigation, these matters are not totally within our control. We will contest these matters vigorously and have made insurance claims where appropriate, but because of the uncertain nature of litigation and coverage decisions, we cannot predict the outcome of these matters. In January of 2011, we settled a significant litigation matter with certain operating subsidiaries of ArcelorMittal USA, the customer purchasing coke from our Jewell cokemaking facility. Litigation is very costly, and the costs associated with prosecuting and defending litigation matters could have a material adverse effect on our financial condition and profitability. In addition, our

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profitability or cash flow in a particular period could be affected by an adverse ruling in any litigation currently pending in the courts or by litigation that may be filed against us in the future. We are also subject to significant environmental and other government regulation, which sometimes results in various administrative proceedings.

Risks Related to Our Cokemaking Business

Our customers operate in a competitive and cyclical industry, and their default or non-compliance on their contractual obligations to purchase coke from us, or the failure of our customers to continue to purchase coke from us at similar prices under similar arrangements, may have a material and adverse effect on our financial position, results of operations and cash flows.

All of our coke sales agreements contain take-or-pay provisions, pursuant to which our customers are required to either take all of our coke production up to a specified tonnage maximum or pay the contract price for any such coke they elect not to accept. During periods of weak demand for steel, our steel industry customers may experience significant reductions in their operations, or substantial declines in the prices of the steel they sell. These and other factors may lead some customers to seek renegotiation or cancellation of their existing long-term coke purchase commitments to us. We have, and will continue to, work constructively with our customers to resolve issues, and, where appropriate, we will actively pursue legal process to protect our rights. Customer defaults on existing contractual obligations to purchase our coke may have a material and adverse effect on our financial position, results of operations and cash flows.

If a substantial portion of our agreements to supply metallurgical coke are modified or terminated or if *force majeure* is exercised, we may be adversely affected if we are not able to replace such agreements, or if we are not able to enter into new agreements at the same level of profitability. The profitability of our long-term coke sales agreements depends on a variety of factors that vary from agreement to agreement and fluctuate during the agreement term. We may not be able to obtain long-term agreements at favorable prices, compared either to market conditions or to our cost structure. Price changes provided in long-term supply agreements may not reflect actual increases in production costs. As a result, such cost increases may reduce profit margins on our long-term coke sales agreements. In addition, contractual provisions for adjustment or renegotiation of prices and other provisions may increase our exposure to short-term price volatility.

From time to time, we discuss the extension of existing agreements and enter into new long-term agreements for the supply of metallurgical coke to our customers, but these negotiations may not be successful and these customers may not continue to purchase coke from us under long-term coke sales agreements. If any one or more of these customers were to significantly reduce their purchases of coke from us, or if we were unable to sell coke to them on terms as favorable to us as the terms under our current agreements, our cash flows, financial position and results of operations may be materially and adversely affected.

Further, because of certain technological design constraints, which are discussed in more detail in **Business Our Cokemaking Technology**, we do not have the ability to shut down our cokemaking operations if we do not have adequate customer demand. If a customer refuses to take or pay for our coke, we must continuously operate our coke ovens even though we may not be able to sell our coke immediately and may incur significant additional costs for natural gas to maintain the temperature inside our coke oven batteries, which may have a material and adverse effect on our financial position, results of operations and cash flows.

The financial performance of our cokemaking business is substantially dependent upon three customers in the steel industry, and any failure by them to perform under their contracts with us could adversely affect our financial condition, results of operations and cash flows.

Substantially all of our domestic coke sales are currently made under long-term contracts with ArcelorMittal, U.S. Steel and AK Steel. For the year ended December 31, 2010, ArcelorMittal accounted for approximately 69 percent of our total revenues. We expect these three customers to continue to account for a significant portion of our revenues for the foreseeable future. If any one or more of these customers were to significantly reduce its purchases of coke from us, or default on their agreements with us, or fail to renew or

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terminate its agreements with us, or if we were unable to sell coke to any one or more of these customers on terms as favorable to us as the terms under our current agreements, our cash flows, financial position and results of operations could be materially and adversely affected.

We may not be able to successfully implement our North American growth strategy and develop, design, construct, start up, or operate new cokemaking facilities in North America.

We may not be able to complete construction of, or efficiently operate, cokemaking facilities that we develop in the future. Further development of future cokemaking facilities may not be within the expected time line or budget. We cannot predict the effect that any failed expansion may have on our core business. Regardless of whether we are successful in constructing and/or operating additional cokemaking facilities, the negotiations for development of such facilities could disrupt our ongoing business, distract management and increase our expenses. If we are not able to successfully execute our plans for the development and expansion of our North American cokemaking operations, whether as a result of unfavorable market conditions in the steel industry or otherwise, our future revenues and profitability could be materially and adversely affected.

We may not be able to successfully implement our international growth strategy and develop, design, construct, start up and operate new cokemaking facilities outside of North America.

A central element of our growth strategy involves the international expansion of our business. We expanded our cokemaking business internationally in 2007 through our development and operation of our customer's cokemaking facility in Vitória, Brazil. We are currently exploring opportunities with steel companies for developing new cokemaking facilities in foreign countries, which could be either wholly owned or developed through other business structures.

Our ability to expand internationally and enter into additional arrangements in non-U.S. markets is subject to a variety of risks, including, but not limited to:

the possibility of negative developments in the demand for steel in non-U.S. markets;

the difficulty or costs associated with complying with industry guidelines or laws or regulations of non-U.S. markets;

the possibility that language and other cultural differences may inhibit our development and operations efforts and create internal communication problems among our U.S. and non-U.S. teams, increasing the difficulty of managing multiple, remote locations performing various development and quality assurance projects;

compliance with non-U.S. laws that may be unfamiliar to our management and employees;

currency risk due to the fact that our revenues and/or expenses for our international operations may be denominated in different currencies; and

economic, political instability or legal restrictions could affect our ability to efficiently invest and repatriate our capital from the local country.

If we are not able to successfully execute our plans for international development and expansion of our cokemaking operations, as a result of unfavorable market conditions in the steel industry or otherwise, our future revenues and profitability could be materially and adversely affected.

Excess capacity in the global steel industry, including in China, may weaken demand for steel produced by our U.S. steel industry customers, which, in turn, may reduce demand for our coke.

In some countries, such as China, steelmaking capacity exceeds demand for steel products. Rather than reducing employment by matching production capacity to consumption, steel manufacturers in these countries (often with local government assistance or subsidies in various

forms) may export steel at prices that are

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significantly below their home market prices and that may not reflect their costs of production or capital. The availability of this steel at such prices may negatively affect our steelmaking customers, who may not be able to increase the prices that they charge for steel as supply of steel increases. As a result, the profitability and financial position of our steelmaking customers may be adversely affected, which in turn, could adversely affect the certainty of our long-term relationships with those customers and our own financial position, results of operations and cash flows.

We face increasing competition both from alternative steelmaking and cokemaking technologies that have the potential to reduce or completely eliminate the use of metallurgical coke, may reduce the demand for the coke we produce and which could have an adverse effect on our results of operations.

Historically, metallurgical coke has been used as a main input in the production of steel in blast furnaces, and nearly all integrated steel mills still use blast furnace technology. However, many steelmakers also are exploring alternatives to blast furnace technology that require less or no use of metallurgical coke. For example EAF technology is a commercially proven process widely used in the United States. As these alternative processes for production of steel become more widespread, the demand for metallurgical coke, including the coke we produce, may be significantly reduced, and this reduction could have a material and adverse effect on our financial position, results of operations and cash flows.

We also face competition from alternative cokemaking technologies, including both by-product and non-recovery technologies. As these technologies improve and as new technologies are developed, we anticipate that competition among non-conventional coke producers will intensify. Such increased competition may adversely affect our future revenues and profitability.

Certain provisions in our long-term coke sales agreements, resulting in suspension of the performance due to force majeure, or imposition of economic penalties for failure to meet minimum volume requirements or other required specifications, may have an adverse effect on our future revenues, or profitability.

All of our coke sales agreements contain provisions requiring us to supply minimum volumes of coke to our customers. To the extent we do not meet these minimum volumes, we are generally required under the terms of our coke sales agreements to procure replacement coke supply to our customers at the applicable contract price or potentially be subject to cover damages for any shortfall. For example, in 2010, we did not meet our contractual volume minimums at our Indiana Harbor cokemaking facility. Because our customer did not require the additional coke, we were not required to replace the shortfall nor did we incur financial penalties. In 2011, we again expected production volumes at our Indiana Harbor cokemaking facility to be below the contractual minimum levels and as such, contracted for third party coke supply to meet the expected shortfall for 2011 at a cost that exceeded our contract selling price. However, operational improvements have increased production and we now anticipate coke production will be sufficient to meet our contractual requirements. If future shortfalls occur, we will work with our customer to identify possible other supply sources while we implement operating improvements at this facility, but we may not be successful in identifying alternative supplies and may be subject to paying the contract price for any shortfall or for cover damages, either of which could adversely affect our future revenues and profitability. Most of our coke sales agreements also contain provisions requiring us to deliver coke that meet certain quality thresholds. Failure to meet these specifications could result in economic penalties, including price adjustments, the rejection of deliveries or termination of our agreements, any or all of which could adversely affect our future revenues and profitability.

Our coke sales agreements contain *force majeure* provisions allowing temporary suspension of performance by our customers during the duration of specified events beyond the control of our customers. Declaration of *force majeure*, coupled with a lengthy suspension of performance under one or more coke sales agreements, may seriously and adversely affect our cash flows, financial position and results of operations.

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Income from operation of the Vitória, Brazil cokemaking facility may be affected by global and regional economic and political factors and the policies and actions of the Brazilian government.

The Vitória cokemaking facility is owned by a project company controlled by a Brazilian affiliate of ArcelorMittal. We earn income from the Vitória, Brazil operations through licensing and operating fees earned at the Brazilian cokemaking facility payable to us under long-term agreements with the project company and an annual preferred dividend from the project company guaranteed by the Brazilian affiliate of ArcelorMittal. These revenues depend on continuing operations and, in some cases, certain minimum production levels being achieved at the Vitória cokemaking facility. In the past, the Brazilian economy was characterized by frequent and occasionally extensive intervention by the Brazilian government and unstable economic cycles. The Brazilian government has changed in the past, and may change monetary, taxation, credit, tariff and other policies to influence Brazil's economy in the future. If the operations at Vitória cokemaking facility are interrupted or if certain minimum production levels are not achieved, we will not be able to earn the same licensing and operating fees as we are currently earning which could have an adverse affect on our financial position, results of operations and cash flows.

To the extent we do not meet coal-to-coke yield standards in our coke sales agreements, we are responsible for the cost of the excess coal used in the cokemaking process, which could adversely impact our results of operations and profitability.

Our ability to pass through our coal costs to our customers under our coke sales agreements is generally subject to our ability to meet some form of coal-to-coke yield standard. To the extent that we do not meet the yield standard in the contract, we are responsible for the cost of the excess coal used in the cokemaking process. We may not be able to meet the yield standards at all times, and as a result we may suffer lower margins on our coke sales and our results of operations and profitability could be adversely affected.

Disruptions to our supply of coal and coal blending services may reduce the amount of coke we produce and deliver and, if we are not able to cover the shortfall in coal supply or obtain replacement blending services from other providers, our results of operations and profitability could be adversely affected.

Most of the metallurgical coal used to produce coke at our cokemaking facilities, other than our Jewell facility, is purchased from third parties under one- to two-year contracts. While we believe there is an ample supply of metallurgical coal available and we have been able to supply these facilities without any significant disruption in coke production in the past, economic, environmental, and other conditions outside of our control may reduce our ability to source sufficient amounts of coal for our forecasted operational needs. The failure of our coal suppliers to meet their supply commitments could materially and adversely impact our results of operations if we are not able to make up the shortfalls resulting from such supply failures through purchases of coal from other sources.

Other than at our Jewell cokemaking facility, we rely on third parties to blend coals that we have purchased into coal blends that we use to produce coke. We have entered into long-term agreements with coal blending service providers that are co-terminous with our coke sales agreements. Generally, we store an inventory of blended coal at or near our cokemaking facilities to cover approximately 15 to 30 days of coke production. There are limited alternative providers of coal blending services and disruptions from our current service providers could materially and adversely impact our results of operations.

Limitations on the availability and reliability of transportation, and increases in transportation costs, particularly rail systems, could materially and adversely affect our ability to obtain a supply of coal and deliver coke to our customers.

Our ability to obtain coal depends primarily on third-party rail systems and to a lesser extent river barges. If we are unable to obtain rail or other transportation services, or are unable to do so on a cost-effective basis, our results of operations could be adversely affected. Alternative transportation and delivery systems are generally inadequate and not suitable to handle the quantity of our shipments or to ensure timely delivery. The loss of access to rail capacity could create temporary disruption until the access is restored, significantly impairing our

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ability to receive coal and resulting in materially decreased revenues. Our ability to open new cokemaking facilities may also be affected by the availability and cost of rail or other transportation systems available for servicing these facilities.

Our coke production obligations at our Jewell cokemaking facility and one half of our Haverhill cokemaking facility require us to deliver coke to certain customers via railcar. We have entered into long-term rail transportation agreements to meet these obligations. Disruption of these transportation services because of weather-related problems, mechanical difficulties, train derailments, infrastructure damage, strikes, lock-outs, lack of fuel or maintenance items, fuel costs, transportation delays, accidents, terrorism, domestic catastrophe or other events could temporarily or over the long term impair our ability to produce coke, and therefore, could materially and adversely affect our business and results of operations.

The Brazilian licensing agreement for certain of our Brazilian patents used at the Vitória cokemaking facility may terminate if we are not able to maintain or supplement the patents subject to the licensing agreement, which may have an adverse effect on our future revenues and profitability.

We currently collect certain fees in connection with the licensing of certain of our Brazilian patents at the Vitória cokemaking facility pursuant to a Brazilian licensing agreement with a term that runs through 2023. The validity of these patents is being challenged in Brazil, and the patents will otherwise expire by May 2014. We have two patent applications (one of which has been opposed by the party challenging our existing Brazilian patents) awaiting examination that, if approved, we expect will permit the Brazilian licensing agreement to continue through at least 2023. If the challenge to our existing Brazilian patents is successful, or if such Brazilian patents expire prior to a new Brazilian patent becoming subject to the Brazilian licensing agreement, and we no longer have any technology licensed under any applicable licensing agreement, we will no longer receive any licensing fees. The loss of these licensing fees would adversely affect our results of operations.

Labor disputes with the unionized portion of our workforce could affect us adversely.

As of November 30, 2011, we have approximately 1,157 employees in the United States. Approximately 325, or 28 percent, of our domestic employees, principally at our cokemaking operations, are currently represented by the United Steelworkers under various contracts. As of November 30, 2011, we have approximately 207 employees at the cokemaking facility in Vitória, Brazil all of whom are represented by a union. When these agreements expire or terminate, we may not be able to negotiate the agreements on the same or more favorable terms as the current agreements, or at all, and without production interruptions, including labor stoppages. A prolonged labor dispute, which could include a work stoppage, could adversely affect our ability to satisfy our customers' orders and, as a result, adversely affect our production and profitability.

Risks Related to Our Coal Mining Business

Coal prices are volatile, and a substantial or extended decline in prices could adversely affect our profitability and the value of our coal reserves.

Our profitability and the value of our coal reserves depend upon the prices we receive for our coal. The contract prices we may receive for coal in the future depend upon factors beyond our control, including:

the domestic and foreign demand for metallurgical coal;

the quantity and quality of coal available from domestic and foreign competitors;

the demand for steel, which may lead to price fluctuations in the re-pricing of our metallurgical coal contracts;

competition within our industry;

adverse weather, climatic or other natural conditions, including natural disasters;

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domestic and foreign economic conditions, including economic slowdowns;

legislative, regulatory and judicial developments, environmental regulatory changes or changes in energy policy and energy conservation measures that would adversely affect the coal industry, such as legislation limiting carbon emissions; and

the proximity, capacity and cost of transportation facilities.

A substantial or extended decline in the prices we receive for our future coal sales could adversely affect our profitability and the value of our coal reserves.

Extensive governmental regulations pertaining to employee health and safety and mandated benefits for retired coal miners impose significant costs on our mining operations, which could materially and adversely affect our results of operations.

The coal mining industry is subject to increasingly strict regulation by federal, state and local authorities with respect to matters such as employee health and safety and mandated benefits for retired coal miners. Compliance with these requirements imposes significant costs on us and can result in reduced productivity. Moreover, the possibility exists that new health and safety legislation and/or regulations and orders may be adopted that may materially and adversely affect our mining operations. We must compensate employees for work-related injuries. If we do not make adequate provisions for our workers' compensation liabilities, it could harm our future operating results. In addition, the erosion through tort liability of the protections we are currently provided by workers' compensation laws could increase our liability for work-related injuries and materially and adversely affect our operating results.

Under federal law, each coal mine operator must secure payment of federal black lung benefits to claimants who are current and former employees and contribute to a trust fund for the payment of benefits and medical expenses to claimants who last worked in the coal industry before January 1, 1970. The trust fund is funded by an excise tax on coal production. If this tax increases, or if we could no longer pass it on to the purchasers of our coal under our coal sales agreements, our operating costs could be increased and our results could be materially and adversely harmed. At December 31, 2010, our liabilities for coal workers' black lung benefits totaled \$26.6 million. In addition, while we have not concluded our evaluation, we believe that the impact of PPACA, coupled with anticipated changes in discount rates and other assumptions, may increase our black lung benefit obligation by approximately \$4 to \$6 million. If new laws or regulations increase the number and award size of claims, it could materially and adversely harm our business. See Business Legal and Regulatory Requirements Other Regulatory Requirements.

Federal or state regulatory agencies have the authority to order our mines to be temporarily or permanently closed under certain circumstances, which could materially and adversely affect our ability to meet our customers' demands.

Federal or state regulatory agencies have the authority under certain circumstances following significant health and safety incidents, such as fatalities, to order a mine to be temporarily or permanently closed. If this occurred, we may be required to incur capital expenditures to re-open the mine and may incur fines. In the event that these agencies order the closing of our mines, our coal sales contracts generally permit us to issue *force majeure* notices which suspend our obligations to deliver coal under these contracts. However, our customers may challenge our issuances of *force majeure* notices. If these challenges are successful, we may have to purchase coal from third-party sources, if it is available, to fulfill these obligations, incur capital expenditures to re-open the mines and/or negotiate settlements with the customers, which may include price reductions, the reduction of commitments or the extension of time for delivery or terminate customers' contracts. Our coal operations also provide substantially all of the coal used at our Jewell cokemaking facility. The inability to deliver the required coal to this facility could significantly impact operations at the facility. Any of these actions could have a material adverse effect on our business and results of operations.

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Extensive environmental regulations impose significant costs on our mining operations, and future regulations could materially increase those costs, impose new or increased liabilities, limit our ability to produce and sell coal, or require us to change our operations significantly, any one or more of which could materially and adversely affect our financial position and/or results of operations.

Our coal mining operations are subject to increasingly strict regulation by federal, state and local authorities with respect to environmental matters such as:

limitations on land use;

mine permitting and licensing requirements;

reclamation and restoration of mining properties after mining is completed;

management of materials generated by mining operations;

the storage, treatment and disposal of wastes;

remediation of contaminated soil and groundwater, including with respect to past or legacy mining operations;

air quality standards;

water pollution;

protection of human health, plant-life and wildlife, including endangered or threatened species;

protection of wetlands;

the discharge of materials into the environment;

the effects of mining on surface water and groundwater quality and availability; and

the management of electrical equipment containing polychlorinated biphenyls.

The costs, liabilities and requirements associated with the laws and regulations related to these and other environmental matters can be costly and time-consuming, and could delay commencement or continuation of expansion or production operations. We may not have been, or may not be, at all times in compliance with the applicable laws and regulations. Failure to comply with these laws and regulations may result in the assessment of administrative, civil and criminal penalties, the imposition of cleanup and site restoration costs and liens, the issuance of injunctions to limit or cease operations, the suspension or revocation of permits and other enforcement measures that could have the effect of limiting production from our operations. We may incur material costs and liabilities resulting from claims for damages to property or injury to

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persons arising from our operations. If we are pursued for sanctions, costs and liabilities in respect of these matters, our mining operations and, as a result, our profitability could be materially and adversely affected.

New legislation or administrative regulations or new judicial interpretations or administrative enforcement of existing laws and regulations, including proposals related to the protection of the environment that would further regulate and tax the coal industry, also may require us to change operations significantly, or incur increased costs. Such changes could have a material adverse effect on our financial condition and results of operations. You should see the section entitled **Business Legal and Regulatory Requirements** for further information about the various governmental regulations affecting us.

Our coal mining operations are subject to operating risks, some of which are beyond our control, that could result in a material increase in our operating expenses and a decrease in our production levels.

Factors beyond our control could disrupt our coal mining operations, adversely affect production and shipments and increase our operating costs, all of which could have a material adverse effect on our results of operations. Such factors could include:

poor mining conditions resulting from geological, hydrologic or other conditions that may cause damage to nearby infrastructure or mine personnel;

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variations in the thickness and quality of coal seams, and variations in the amounts of rock and other natural materials overlying the coal being mined;

a major incident at a mine site that causes all or part of the operations of the mine to cease for some period of time;

mining, processing and plant equipment failures and unexpected maintenance problems;

adverse weather and natural disasters, such as heavy rains or snow, flooding and other natural events affecting operations, transportation or customers;

unexpected or accidental surface subsidence from underground mining;

accidental mine water discharges, fires, explosions or similar mining accidents; and

competition and/or conflicts with other natural resource extraction activities and production within our operating areas, such as coalbed methane extraction.

If any of these conditions or events occur, our coal mining operations may be disrupted, we could experience a delay or halt of production or shipments, operating costs could increase significantly, and we could incur substantial losses. In particular, our Jewell cokemaking facility currently obtains essentially all of its metallurgical coal requirements from our existing coal mining operations. Disruptions in our coal mining operations, resulting in decreased production of metallurgical coal, could seriously and adversely affect production at our Jewell cokemaking facility.

If transportation for our coal becomes unavailable or uneconomic for our customers, it may impair our ability to sell coal, and our results of operations may be adversely affected.

Transportation costs represent a significant portion of the total cost of coal and the cost of transportation is a critical factor in a customer's purchasing decision. Increases in transportation costs and the lack of sufficient rail and port capacity could lead to reduced coal sales. For example, all of our coal mining operations are substantially dependent on, and only have access to, a single rail provider. A substantial amount of the metallurgical coal produced from our coal mining operations is used in our adjacent Jewell cokemaking facility. However, future disruption of transportation services (due to weather-related problems, infrastructure damage, strikes, lock-outs, lack of fuel or maintenance items, underperformance of port and rail infrastructure, congestion and balancing systems used to manage vessel queuing and demurrage, transportation delays or other reasons) may temporarily impair our ability to supply coal to other customers and adversely affect our results of operations.

We face numerous uncertainties in estimating economically recoverable coal reserves, and inaccuracies in estimates may result in lower than expected revenues, higher than expected costs and decreased profitability.

Our future performance depends on, among other things, the accuracy of our estimates of our proven and probable coal reserves. There are numerous uncertainties inherent in estimating quantities and values of economically recoverable coal reserves, including many factors beyond our control. As a result, estimates of economically recoverable coal reserves are by their nature uncertain. We base our estimates of reserves on engineering, economic and geological data assembled, analyzed and reviewed by internal and third-party engineers and consultants. We update our estimates of the quantity and quality of proven and probable coal reserves as needed to reflect production of coal from the reserves, updated geological models and mining recovery data, tonnage contained in newly acquired lease areas and estimated costs of production and sale prices.

There are numerous factors and assumptions that affect economically recoverable reserve estimates, including:

quality of the coal;

historical production from the area compared with production from other producing areas;

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geological and mining conditions, which may not be fully identified by available exploration data and/or may differ from our experiences in areas where we currently mine;

the percentage of coal ultimately recoverable;

the assumed effects of regulation, including the issuance of required permits, taxes, including severance and excise taxes and royalties, and other payments to governmental agencies;

assumptions concerning the timing for the development of the reserves; and

assumptions concerning equipment and productivity, future coal prices, operating costs, including costs for critical supplies such as fuel and tires, capital expenditures and development and reclamation costs.

Each of these factors may vary considerably. As a result, estimates of the quantities and qualities of economically recoverable coal attributable to any particular group of properties, classifications of reserves based on risk of recovery, estimated cost of production, and estimates of future net cash flows expected from these properties as prepared by different engineers, or by the same engineers at different times, may vary materially due to changes in the foregoing factors and assumptions. Therefore, our estimates may not accurately reflect our actual reserves. Actual production, revenues and expenditures with respect to reserves will likely vary from estimates, and these variances may be material. In late 2009, we engaged Marshall Miller & Associates, Inc., a leading mining engineering firm, to conduct a new and comprehensive study to determine our proven and probable reserves for our existing coal mines. The firm confirmed that as of December 31, 2010, our proven and probable coal reserves totaled at least 85 million tons. The firm is continuing its work on additional coal seams and is expected to provide us with its evaluation of our proven and probable reserves for those additional seams. Our acquisition of the HKCC Companies added an additional 21 million tons of proven and probable coal reserves, increasing our total proven and probable reserves to at least 106 million tons. Any inaccuracy in our estimates related to our reserves could result in decreased profitability from lower than expected revenues and/or higher than expected costs.

Our inability to develop coal reserves in an economically feasible manner could materially and adversely affect our business.

Our future success depends upon our ability to continue developing economically recoverable coal reserves. If we fail to develop additional coal reserves, our existing reserves eventually will be depleted. We may not be able to obtain replacement reserves when we require them. Replacement reserves may not be available or, if available, may not be capable of being mined at costs comparable to those characteristic of the depleting mines. Our ability to develop coal reserves in the future also may be limited by the availability of cash we generate from our operations or available financing, restrictions under our existing or future financing arrangements, the lack of suitable opportunities or the inability to acquire coal properties or leases on commercially reasonable terms. If we are unable to develop replacement reserves, our future production may decrease significantly and this may have a material and adverse impact on our cash flows, financial position and results of operations.

Mining in Central Appalachia is more complex and involves more regulatory constraints than mining in other areas of the United States, which could affect our mining operations and cost structures in these areas.

Our coal mines are located in Virginia and West Virginia, in what is known as the Central Appalachian region. The geological characteristics of Central Appalachian coal reserves, such as coal seam thickness, make them complex and costly to mine. As compared to mines in other regions, permitting, licensing and other environmental and regulatory requirements are more costly and time consuming to satisfy. These factors could materially adversely affect the mining operations and cost structures of coal produced at our mines in Central Appalachia.

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A defect in title or the loss of a leasehold interest in certain property could limit our ability to mine our coal reserves or result in significant unanticipated costs.

We conduct a significant part of our coal mining operations on properties that we lease. A title defect or the loss of a lease could adversely affect our ability to mine the associated coal reserves. We may not verify title to our leased properties or associated coal reserves until we have committed to developing those properties or coal reserves. In some cases, the seller or lessor warrants property title. In other cases, separate title confirmation may not be required for leasing reserves where mining has occurred previously. Our right to mine some of our reserves may be adversely affected if defects in title or boundaries exist, or if our leasehold interests are subject to superior property rights of third parties. In order to conduct our mining operations on properties where such defects exist, we may incur unanticipated costs. In addition, some leases require us to produce a minimum quantity of coal and require us to pay minimum production royalties. Our inability to satisfy those requirements may cause the leasehold interest to terminate. In addition, we may not be able to successfully negotiate new leases for properties containing additional reserves, or maintain our leasehold interests in properties where we have not commenced mining operations during the term of the lease.

Disruptions in the quantities of coal produced by our contract mine operators could impair our ability to fill customer orders or increase our operating costs.

We use independent contractors to mine coal at certain of our mining operations. Some of our contract miners may experience adverse geologic mining conditions, operational difficulties, escalated costs, financial difficulties, or other factors beyond our control that could affect the availability, pricing, and quality of coal produced for us. In addition, market volatility and price increases for coal or freight could result in non-performance by third-party suppliers under existing contracts with us, in order to take advantage of the higher prices in the current market. Disruptions in the quantities of coal produced by independent contractors for us could impair our ability to supply our cokemaking facilities and to fill our customer orders. Our profitability or exposure to loss on transactions or relationships such as these depends upon the reliability of the supply or the ability to substitute, when economical, third-party coal sources, with internal production or coal purchased in the market and other factors. Non-performance by contract miners may adversely affect our ability to fulfill deliveries under our coal supply agreements. If we are unable to fill a customer order, or if we are required to purchase coal from other sources in order to satisfy a customer order, we could lose existing customers and our operating costs could increase.

We require a skilled workforce to run our coal mining business. If we or our contractors cannot hire qualified people to meet replacement or expansion needs, our labor costs may increase and we may not be able to achieve planned results.

Efficient coal mining using modern techniques and equipment requires skilled workers in multiple disciplines, including experienced foremen, electricians, equipment operators, engineers and welders, among others. Our future success depends greatly on our continued ability to attract and retain highly skilled and qualified personnel. We have an aging workforce, and an extended effort to recruit new employees to replace those who retire or a sustained shortage of skilled labor in the areas in which we operate could make it difficult to meet our staffing needs or result in higher labor rates. We also may be forced to hire novice miners, who are required to be accompanied by experienced workers as a safety precaution. These measures could adversely affect our productivity and operating costs. A lack of qualified people also may affect companies that we use to perform certain specialized work. If we or our contractors cannot find enough qualified workers, it may delay completion of projects and increase our costs.

We have reclamation and mine closure obligations. If the assumptions underlying our accruals are inaccurate, we may be required to expend significantly greater amounts than anticipated.

The Surface Mining Control and Reclamation Act established operational, reclamation and closure standards for all aspects of surface mining as well as most aspects of deep mining. We accrue for the costs of current mine disturbance and of final mine closure, including the cost of treating mine water discharge where

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necessary. The amounts recorded are dependent upon a number of variables, including the estimated future retirement costs, estimated proven reserves, assumptions involving profit margins, inflation rates, and the assumed credit-adjusted risk-free interest rates. Furthermore, our reclamation and mine-closing liabilities are unfunded. If these accruals are insufficient, or our cash requirements in a particular year are greater than currently anticipated, our future operating results and cash flows could be adversely affected.

Our failure to obtain or renew surety bonds on acceptable terms could materially and adversely affect our ability to secure reclamation and coal lease obligations and, therefore, our ability to mine or lease coal.

Our reclamation and mine-closing liabilities are unfunded. Federal and state laws require us to obtain surety bonds to secure performance or payment of certain long-term obligations, such as mine closure or reclamation costs, federal and state workers' compensation costs, coal leases and other obligations. These bonds are typically renewable annually. Surety bond issuers and holders may not continue to renew the bonds or may demand higher fees, additional collateral, including letters of credit or other terms less favorable to us upon those renewals. We are also subject to increases in the amount of surety bonds required by federal and state laws as these laws, or interpretations of these laws, change. Because we are required by state and federal law to have these bonds in place before mining can commence or continue, our failure to maintain (or inability to acquire) these bonds would have a material and adverse impact on us. That failure could result from a variety of factors including the following: lack of availability, higher expense or unfavorable market terms of new bonds; restrictions on availability of collateral for current and future third-party surety bond issuers under the terms of future indebtedness; our inability to meet certain financial tests with respect to a portion of the post-mining reclamation bonds; and the exercise by third-party surety bond issuers of their right to refuse to renew or issue new bonds.

Risks Related to Our Separation from Sunoco

We have a limited operating history as a separate public company, and our historical and pro forma financial information is not necessarily representative of the results that we would have achieved as a separate, publicly traded company and may not be a reliable indicator of our future results.

Our historical and pro forma financial information for the periods ended prior to the Separation included in this prospectus is derived from the consolidated financial statements and accounting records of Sunoco. Accordingly, the historical and pro forma financial information included here do not necessarily reflect the results of operations, financial position and cash flows that we would have achieved as a separate, publicly traded company during the periods presented or those that we will achieve in the future primarily as a result of the following factors:

Prior to the separation, our business was operated by Sunoco as part of its broader corporate organization, rather than as an independent company. Sunoco or one of its affiliates performed various corporate functions for us, including, but not limited to, legal services, treasury, accounting, auditing, risk management, information technology, human resources, corporate affairs, tax administration, certain governance functions (including internal audit and compliance with the Sarbanes-Oxley Act of 2002) and external reporting. Our historical and pro forma financial results reflect allocations of corporate expenses from Sunoco for these and similar functions. These allocations are likely less than the comparable expenses we believe we would have incurred had we operated as a separate public company.

Previously, our business was integrated with the other businesses of Sunoco. Historically, we have shared economies of scale in costs, employees, vendor relationships and customer relationships. While we entered into transition agreements that govern certain commercial and other relationships between Sunoco and us after the Separation, those transitional arrangements may not fully capture the benefits our businesses have enjoyed as a result of being integrated with the other businesses of Sunoco. The loss of these benefits could have an adverse effect on our cash flows, financial position and results of operations following the completion of the separation.

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Generally, our working capital requirements and capital for our general corporate purposes, including acquisitions, research and development and capital expenditures, have historically been satisfied as part of the enterprise-wide cash management policies of Sunoco. In connection with the Separation and the IPO, we obtained financing in the form of our credit facilities and notes. In the future, we may need to obtain additional financing from banks, through public offerings or private placements of debt or equity securities, strategic relationships or other arrangements.

The cost of capital for our business may be higher than Sunoco's cost of capital prior to the Separation. Other significant changes may occur in our cost structure, management, financing and business operations as a result of operating as a public company separate from Sunoco. The adjustments and allocations we have made in preparing our historical and pro forma combined and consolidated financial statements may not appropriately reflect our operations during those periods as if we had in fact operated as a stand-alone entity, or what the actual effect of our separation from Sunoco will be.

We may experience increased costs resulting from a decrease in the purchasing power as a result of our separation from Sunoco.

Historically, we have been able to take advantage of Sunoco's size and purchasing power in procuring goods, technology and services, including insurance, employee benefit support and audit services. We are a smaller and less diversified company than Sunoco, and we may not have access to financial and other resources comparable to those available to Sunoco prior to the Separation. As a separate, stand-alone company, we may be unable to obtain goods, technology and services at prices and on terms as favorable as those available to us prior to the Separation, which could have a material adverse effect on our business, financial condition and results of operations.

The assets and resources that we acquired from Sunoco in the Separation may not be sufficient for us to operate as a stand-alone company, and we may experience difficulty in separating our assets and resources from Sunoco.

Because we have not operated as an independent company prior to the Separation Date, we will need to acquire assets in addition to those contributed by Sunoco and its subsidiaries to the Company and the Company's subsidiaries in connection with the Separation. We may also face difficulty in separating our assets from Sunoco's assets prior to the distribution and integrating newly acquired assets into our business. Our business, financial condition and results of operations could be harmed if we fail to acquire assets that prove to be important to our operations or if we incur unexpected costs in separating our assets from Sunoco's assets or integrating newly acquired assets.

The Separation may adversely affect our business, and we may not achieve some or all of the expected benefits of the separation.

We may not be able to achieve the full strategic and financial benefits expected to result from the Separation, or such benefits may be delayed or not occur at all. These benefits include the following:

improving strategic planning, increasing management focus and streamlining decision-making by providing the flexibility to implement our strategic plan and to respond more effectively to different customer needs and the changing economic environment;

allowing us to adopt the capital structure, investment policy and dividend policy best suited to our financial profile and business needs, as well as resolving competition for capital among Sunoco's businesses;

creating an independent equity structure that will facilitate our ability to effect future acquisitions utilizing the Company's common stock; and

facilitating incentive compensation arrangements for employees more directly tied to the performance of our business, and enhancing employee hiring and retention by, among other things, improving the alignment of management and employee incentives with performance and growth objectives.

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We may not achieve the anticipated benefits for a variety of reasons. There also can be no assurance that the Separation will not adversely affect our business.

If, following the completion of the distribution, there is a determination that the distribution is taxable for U.S. federal income tax purposes because the facts, assumptions, representations or undertakings underlying the Internal Revenue Service, or the IRS, private letter ruling or tax opinion are incorrect or for any other reason, then Sunoco and its shareholders could incur significant U.S. federal income tax liabilities and we could incur significant liabilities. Sunoco has received a private letter ruling from the IRS, substantially to the effect that, among other things, the contribution and the distribution will qualify as a transaction that is tax-free for U.S. federal income tax purposes under Sections 355 and 368(a)(1)(D) of the Internal Revenue Code. Completion by Sunoco of the distribution of the Company's common stock to Sunoco's shareholders is conditioned on the private letter ruling continuing in effect. In addition, Sunoco has received an opinion of Wachtell, Lipton, Rosen & Katz, counsel to Sunoco, to the effect that the contribution and the distribution will qualify as a transaction that is described in Sections 355 and 368(a)(1)(D) of the Internal Revenue Code, thereby satisfying an additional condition to the completion by Sunoco of the distribution of the Company's common stock to Sunoco's shareholders. The ruling and the opinion rely on certain facts, assumptions, representations and undertakings from Sunoco and us regarding the past and future conduct of the companies' respective businesses and other matters. If any of these facts, assumptions, representations or undertakings are incorrect or not otherwise satisfied, Sunoco and its shareholders may not be able to rely on the ruling or the opinion of tax counsel and could be subject to significant tax liabilities. Notwithstanding the private letter ruling and opinion of tax counsel, the IRS could determine on audit that the separation is taxable if it determines that any of these facts, assumptions, representations or undertakings are not correct or have been violated or if it disagrees with the conclusions in the opinion that are not covered by the private letter ruling, or for other reasons, including as a result of certain significant changes in the stock ownership of Sunoco or us after the separation. If the separation is determined to be taxable for U.S. federal income tax purposes, Sunoco and its shareholders could incur significant U.S. federal income tax liabilities and we could incur significant liabilities. For a description of the sharing of such liabilities between Sunoco and us, see Arrangements between Sunoco and our company Separation and Distribution Agreement and Tax Sharing Agreement.

As a public company, we are subject to additional financial and other reporting and corporate governance requirements that may be difficult for us to satisfy and may divert management's attention from our business.

As a public company, we are required to file annual and quarterly reports and other information pursuant to the Securities Exchange Act of 1934, as amended, which we refer to as the Exchange Act, with the SEC. We are required to prepare financial statements that comply with SEC reporting requirements on a timely basis. We are also subject to other reporting and corporate governance requirements, including the NYSE listing standards and certain provisions of the Sarbanes-Oxley Act of 2002 and the regulations promulgated thereunder, which impose significant compliance obligations upon us. Specifically, we are required to:

prepare and distribute periodic reports and other stockholder communications in compliance with our obligations under the federal securities laws and NYSE rules;

create or expand the roles and duties of our board of directors and committees of the board;

institute compliance and internal audit functions that are more comprehensive;

evaluate and maintain our system of internal control over financial reporting, and report on management's assessment thereof, in compliance with the requirements of Section 404 of the Sarbanes-Oxley Act and the related rules and regulations of the SEC and the Public Company Accounting Oversight Board;

involve and retain outside legal counsel and accountants in connection with the activities listed above;

enhance our investor relations function; and

maintain internal policies, including those relating to disclosure controls and procedures.

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As a public company we are required to commit significant resources and management oversight to the above-listed requirements, which may cause us to incur significant costs and which may place a strain on our systems and resources. As a result, our management's attention may be diverted from other business concerns. In addition, we might not be successful in implementing these requirements.

We have not yet tested our internal control over financial reporting in accordance with Section 404. If we are unable to implement the requirements of Section 404 in a timely manner or with adequate compliance, we and our independent registered public accounting firm may not be able to report on the adequacy of our internal control over financial reporting. If we are unable to maintain adequate internal control over financial reporting, we may be unable to report our financial information on a timely basis and may suffer adverse regulatory consequences or violations of NYSE listing standards. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements.

We are subject to the same material weakness in internal control over financial reporting for income taxes that Sunoco has reported. Until the material weakness is remediated or we have established our own tax accounting process, we may not be able to accurately report our financial results, which could have a material adverse effect on our operations, investor confidence in our business and the trading prices of our securities.

In its annual report on Form 10-K for the year ended December 31, 2010, Sunoco reported that its internal control over financial reporting was not effective as a result of a material weakness in internal control over financial reporting related to the accounting for income taxes. Sunoco's management identified the following control deficiencies that, in the aggregate, represent a material weakness in the design and operation of its internal controls over the computation of the income tax provision and determination of the appropriate classification of income taxes payable and deferred income taxes: (i) Sunoco's management relied on spreadsheets that were extremely complex and difficult to prepare and review; (ii) a lack of readily available data to facilitate the accounting for complex, non-routine transactions resulted in a reasonable possibility that adjustments to balances would not be detected on a timely basis; and (iii) inexperience with Sunoco's income tax accounting processes, procedures and controls due to recent employee turnover resulted in insufficient review of the income tax accounts.

The amounts reflected in our financial statements for income tax expense and deferred income taxes have been prepared by Sunoco's income tax department using processes similar to those used in the preparation of Sunoco's consolidated financial statements. While we are in the process of establishing our own tax accounting process, it is expected that some or all of Sunoco's processes will continue to be used at least through the date of Sunoco's planned distribution of our shares of common stock to its shareholders. As a result, it is possible that errors in the computation of income tax expense, taxes payable or deferred income taxes could occur and be included in our financial statements if such errors were not detected.

Sunoco has continued to implement remediation steps to address the material weakness discussed above and to improve its internal control over income tax accounting. Specifically, Sunoco has: hired additional experienced tax personnel; formalized and implemented tax organizational reporting structure changes which better integrate the tax accounting and compliance functions and facilitate an increase in the level of certain tax review activities during the financial close process; updated process documentation to reflect improvements made for internal control compliance; and is continuing to implement and utilize computer software that assists in calculating and documenting Sunoco's income tax provision. Sunoco believes that the measures described above should remediate the material weakness identified and strengthen its internal controls over income tax accounting. Sunoco management is committed to improving its internal control processes. As Sunoco continues to evaluate and improve its internal control over income tax accounting, additional measures to address the material weakness or modifications to certain of the remediation procedures described above may be identified. Sunoco expects to complete the required remedial actions during 2011.

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Sunoco and we are committed to finalizing the remediation action plans and implementing the necessary enhancements to remediate the material weaknesses described above. These material weaknesses will not be considered remediated until: (1) the new processes are designed, appropriately controlled and implemented for a sufficient period of time and (2) we have sufficient evidence that the new processes and related controls are operating effectively.

We believe that the measures described above should remediate the material weakness identified and strengthen its internal controls over income tax accounting. As Sunoco continues to evaluate and improve its internal control over income tax accounting, additional measures to address the material weakness or modifications to certain of the remediation procedures described above may be identified. Sunoco expects to complete the required remedial actions during 2011. Accordingly, we will be subject to the same material weakness in internal control over financial reporting for income taxes that Sunoco has reported until it has been remediated or we have established our own tax accounting process. Until that time, we may not be able to accurately report our financial results, which could have a material adverse effect on our operations, investor confidence in our business and the trading prices of our securities.

Risks Related to Our Ongoing Relationship with Sunoco

On December 1, 2011, Sunoco announced that its board of directors had declared a special stock dividend to Sunoco shareholders of the shares of our common stock it owns. The distribution of the special stock dividend will be made by means of a spin-off, which is a *pro rata* distribution by Sunoco of the shares of our common stock it owns to holders of Sunoco's common stock. The spin-off is scheduled to occur on January 17, 2012. Many of the risk factors in this section result from Sunoco's current ownership of a majority of our equity interest, but such ownership will cease upon completion of the spin-off (which we also refer to as the distribution).

We may have potential business conflicts of interest with Sunoco with respect to our past and ongoing relationships and, because of Sunoco's controlling ownership, the resolution of these conflicts may not be on the most favorable terms to us.

Prior to the distribution, a resolution of any potential conflicts of interest between Sunoco and us may be less favorable to us than if we were dealing with an unaffiliated party. Conflicts of interest may arise between Sunoco and us in a number of areas relating to our past and ongoing relationships, including:

labor, tax, employee benefit, indemnification and other matters arising from our separation from Sunoco;

employee recruiting and retention;

sales or distributions by Sunoco of all or any portion of its ownership interest in us, which could be to one of our competitors;

the nature, quantity, quality, time of delivery and pricing of products and services we supply to each other; and

business opportunities that may be attractive to both Sunoco and us.

In addition, nothing restricts Sunoco from competing with us in any area. In particular, Sunoco could choose to reestablish a cokemaking or coal mining business, do business with any of our customers, employ or otherwise engage any of our officers or employees.

In addition, under our amended and restated certificate of incorporation, neither Sunoco nor any officer or director of Sunoco, except in certain circumstances, will be liable to us or our stockholders for breach of any fiduciary duty by reason of any such activities. Our amended and restated certificate of incorporation provides that Sunoco is not under any duty to present any corporate opportunity to us which may be a corporate

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opportunity for Sunoco and us, and Sunoco will not be liable to us or our stockholders for breach of any fiduciary duty as our stockholder by reason of the fact that Sunoco pursues or acquires that corporate opportunity for itself, directs that corporate opportunity to another person or does not present that corporate opportunity to us.

Prior to the completion of the IPO, we and Sunoco entered into several agreements in connection with our separation. During the time that we are controlled by Sunoco, it is possible for Sunoco to cause us to amend these agreements on terms that may be less favorable to us than the current terms of the agreements. We will be bound by any such amendments until the agreements expire or the parties agree to further amend the terms. Any of those amendments may not be favorable to us.

We are a controlled company within the meaning of the NYSE rules and, as a result, qualify for, and rely on, exemptions from certain corporate governance requirements.

Prior to the distribution, Sunoco will continue to control a majority of our voting common stock and, accordingly, we are a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE listing standards, a company of which more than 50 percent of the voting power is held by an individual, group or another company is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including:

the requirement that a majority of the board of directors consists of independent directors;

the requirement that we have a governance committee that is composed entirely of independent directors;

the requirement that we have a compensation committee that is composed entirely of independent directors; and

the requirement for an annual performance evaluation of the governance and compensation committees.

Until the completion of the distribution, we will utilize the exemptions from the corporate governance requirements of the NYSE listing standards, including the foregoing. As a result, we do not currently have a majority of independent directors nor does our governance and compensation committees consist entirely of independent directors. See Management. Accordingly, you currently do not have the same protections afforded to holders of notes of companies that are subject to all of the NYSE corporate governance requirements.

Prior to the distribution, certain of our officers and directors may have actual or potential conflicts of interest because of their positions with Sunoco.

Currently, certain of our directors and officers have positions with Sunoco. In addition, such directors and officers own Sunoco common stock, options to purchase Sunoco common stock or other Sunoco equity awards. The individual holdings of Sunoco common stock, options to purchase common stock of Sunoco or other equity awards may be significant for some of these persons compared to these persons' total assets. Their position at Sunoco and the ownership of any Sunoco equity or equity awards creates, or may create the appearance of, conflicts of interest when these expected directors and officers are faced with decisions that could have different implications for Sunoco than the decisions have for us.

Sunoco and its directors and officers have limited liability to us or you for breach of fiduciary duty.

Our amended and restated certificate of incorporation provides that, subject to any contractual provision to the contrary, Sunoco has no obligation to refrain from:

engaging in the same or similar business activities or lines of business as we do;

doing business with any of our customers; or

employing or otherwise engaging any of our officers or employees.

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Under our amended and restated certificate of incorporation, neither Sunoco nor any officer or director of Sunoco, except as provided in our amended and restated certificate of incorporation, will be liable to us or to our stockholders for breach of any fiduciary duty by reason of any of these activities.

To preserve the tax-free treatment to Sunoco of the contribution and the planned distribution, we may not be able to engage in certain transactions.

To preserve the tax-free treatment to Sunoco of the contribution and the planned distribution, under the tax sharing agreement, we are restricted from taking any action that prevents the distribution and related transactions from being tax-free for U.S. federal income tax purposes. These restrictions may limit our ability to pursue certain strategic transactions or engage in other transactions, including use of the Company's common stock to make acquisitions and equity capital market transactions, that might increase the value of our business. For more information, see the sections entitled "Arrangements between Sunoco and our Company" and "Tax sharing agreement."

Risks Related to the Notes

Our substantial indebtedness could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.

We have a significant amount of indebtedness. As of September 30, 2011, our total debt was approximately \$697.8 million, excluding \$150.0 million of unused commitments under the credit facilities. Additionally, the credit agreement provides for up to \$75.0 million in uncommitted incremental facilities that are available subject to the satisfaction of certain conditions, none of which was used as of September 30, 2011.

Subject to the limits contained in the credit agreement that governs the credit facilities (which term includes our new revolving, term loan and incremental facilities), the Indenture that governs the notes and our other debt instruments, we may be able to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our high level of debt could have important consequences to the holders of the notes, including:

making it more difficult for us to satisfy our obligations with respect to the notes and our other debt;

limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;

requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;

increasing our vulnerability to general adverse economic and industry conditions;

exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the credit facilities, are at variable rates of interest;

limiting our flexibility in planning for and reacting to changes in the industry in which we compete;

placing us at a competitive disadvantage to other, less leveraged competitors; and

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increasing our cost of borrowing.

In addition, the Indenture that governs the notes and the credit agreement governing our credit facilities contain restrictive covenants that will limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

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We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations, including the notes, depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control. We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness, including the notes. We may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreement governing the credit facilities and the Indenture governing the notes restrict our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due.

In addition, the Company conducts its operations through its subsidiaries, certain of which are not guarantors of the notes or the Company's other indebtedness. Accordingly, repayment of the Company's indebtedness, including the notes, is dependent on the generation of cash flow by the Company's subsidiaries and their ability to make such cash available to the Company, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes or the Company's other indebtedness, the Company's subsidiaries do not have any obligation to pay amounts due on the notes or the Company's other indebtedness or to make funds available for that purpose. The Company's subsidiaries may not be able to, or may not be permitted to, make distributions to enable the Company to make payments in respect of the Company's indebtedness, including the notes. Each subsidiary is a distinct legal entity, and, under certain circumstances, legal and contractual restrictions may limit the Company's ability to obtain cash from its subsidiaries. While the Indenture that governs the notes and the agreements governing certain of the Company's other existing indebtedness limit the ability of the Company's restricted subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to the Company, these limitations are subject to qualifications and exceptions. In the event that the Company does not receive distributions from its subsidiaries, the Company may be unable to make required principal and interest payments on its indebtedness, including the notes.

Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on commercially reasonable terms or at all, would materially and adversely affect our financial position and results of operations and our ability to satisfy our obligations under the notes.

If we cannot make scheduled payments on our debt, we will be in default and holders of the notes could declare all outstanding principal and interest to be due and payable, the lenders under the credit facilities could terminate their commitments to loan money, our secured lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing your investment in the notes.

Despite our current level of indebtedness, the Company and its subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

The Company and its subsidiaries may be able to incur significant additional indebtedness in the future. Although the Indenture that governs the notes and the credit agreement governing our credit facilities contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of

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qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. If we incur any additional indebtedness that ranks equally with the notes, subject to collateral arrangements, the holders of that debt will be entitled to share ratably with you in any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company. This may have the effect of reducing the amount of proceeds paid to you. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, as of September 30, 2011, the credit facilities provided for unused commitments of \$150.0 million. Additionally, the credit agreement provides for up to \$75.0 million in uncommitted incremental facilities that are available subject to the satisfaction of certain conditions, none of which was used as of September 30, 2011. All of those borrowings under the credit facilities would be secured indebtedness. If new debt is added to our current debt levels, the related risks that the Company and the guarantors now face could intensify. See [Description of Certain Indebtedness](#) and [Description of Notes](#).

The terms of the credit agreement that governs the credit facilities and the Indenture that governs the notes will restrict our current and future operations, particularly our ability to respond to changes or to pursue our business strategies.

The Indenture that governs the notes offered hereby and the credit agreement governing the credit facilities contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

incur additional indebtedness;

pay dividends or make other distributions on or repurchase or redeem our capital stock;

prepay, redeem or repurchase certain debt;

make loans and investments;

sell assets;

incur liens;

enter into transactions with affiliates;

enter into agreements restricting the Company's subsidiaries' ability to pay dividends; and

consolidate, merge or sell all or substantially all of our assets.

As a result of these restrictions, we may be:

limited in how we conduct our business;

unable to raise additional debt or equity financing to operate during general economic or business downturns; or

unable to compete effectively, execute our growth strategy or take advantage of new business opportunities. In addition, the restrictive covenants in the credit agreement that governs the senior credit facilities require us to maintain specified financial ratios. Our ability to meet those financial ratios can be affected by events beyond our control.

A breach of the covenants under the Indenture that governs the notes or under the credit agreement that governs the credit facilities could result in an event of default under the applicable indebtedness. Such a default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the credit agreement that governs the credit facilities would permit the lenders under our credit facilities to terminate all

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commitments to extend further credit under our credit facilities. Furthermore, if we were unable to repay the amounts due and payable under the credit facilities, those lenders could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders or noteholders accelerate the repayment of our borrowings, the Company and its subsidiaries may not have sufficient assets to repay that indebtedness.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the credit facilities are at variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations on the variable rate indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. We have entered into and may in the future enter into additional interest rate swaps that involve the exchange of floating for fixed rate interest payments in order to reduce interest rate volatility. However, we may decide not to maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.

The notes are effectively subordinated to the Company and the Company's subsidiary guarantors' indebtedness under the credit facilities and our other secured indebtedness to the extent of the value of the property securing that indebtedness.

The notes are secured by any of the Company and the Company's subsidiary guarantors' assets. As a result, the notes and the guarantees are effectively subordinated to the Company and the Company's subsidiary guarantors' indebtedness under the credit facilities with respect to the assets that secure that indebtedness. As of September 30, 2011, we had approximately \$297.8 million of secured indebtedness under our senior secured credit facilities. As of September 30, 2011, we had total unused availability under the credit facilities of approximately \$150.0 million. Additionally, the credit agreement provides for up to \$75.0 million in uncommitted incremental facilities that are available subject to the satisfaction of certain conditions, none of which was used as of September 30, 2011. In addition, we may incur additional secured debt in the future. The effect of this effective subordination is that upon a default in payment on, or the acceleration of, any of our secured indebtedness, or in the event of bankruptcy, insolvency, liquidation, dissolution or reorganization of our company or the subsidiary guarantors of the credit facilities or of that other secured debt, the proceeds from the sale of assets securing our secured indebtedness will be available to pay obligations on the notes only after all indebtedness under the credit facilities and that other secured debt has been paid in full. As a result, the holders of the notes may receive less, ratably, than the holders of secured debt in the event of the Company or the Company's subsidiary guarantors' bankruptcy, insolvency, liquidation, dissolution or reorganization.

The notes are structurally subordinated to all obligations of our existing and future subsidiaries that are not and do not become guarantors of the notes.

The notes are or will be guaranteed by each of our existing and subsequently acquired or organized subsidiaries that guarantee the credit facilities. The Company's subsidiaries that do not guarantee the notes, including all of our non-domestic subsidiaries, have no obligation, contingent or otherwise, to pay amounts due under the notes or to make any funds available to pay those amounts, whether by dividend, distribution, loan or other payment. The notes are structurally subordinated to all indebtedness and other obligations of any non-guarantor subsidiary such that in the event of insolvency, liquidation, reorganization, dissolution or other winding up of any subsidiary that is not a guarantor, all of that subsidiary's creditors (including trade creditors and preferred stockholders, if any) are entitled to payment in full out of that subsidiary's assets before the Company is entitled to any payment.

In addition, the Indenture that governs the notes does, subject to certain limitations, permit these subsidiaries to incur additional indebtedness and does contain any limitation on the amount of other liabilities, such as trade payables, that may be incurred by these subsidiaries.

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For the nine months ended September 30, 2011, our non-guarantor subsidiaries represented 33% of our net sales and (24)% of our operating income. As of September 30, 2011, our non-guarantor subsidiaries represented 14% of our total assets and had \$64.4 million of total liabilities, including debt and trade payables but excluding intercompany liabilities.

In addition, the Company's subsidiaries that provide, or will provide, guarantees of the notes will be automatically released from those guarantees upon the occurrence of certain events, including the following:

the designation of that subsidiary guarantor as an unrestricted subsidiary;

the release or discharge of any guarantee or indebtedness that resulted in the creation of the guarantee of the notes by such subsidiary guarantor; or

the sale or other disposition of that subsidiary guarantor.

If any subsidiary guarantee is released, no holder of the notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be effectively senior to the claim of any holders of the notes. See Description of Notes Guarantees.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of specific change of control events, we are required to offer to repurchase all outstanding notes at 101% of their principal amount, plus accrued and unpaid interest to the purchase date. Additionally, under the credit facilities, the occurrence of one or more certain change of control events or the requirement to repurchase the notes upon a change of control may constitute an event of default that permits the lenders to accelerate the obligations under the credit facilities and terminate their commitments to lend thereunder. The source of funds for any purchase of the notes and repayment of borrowings under our credit facilities would be our available cash or cash generated from the Company's subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the notes may be limited by law. In order to avoid the obligations to repurchase the notes and events of default and potential breaches of the credit agreement governing our credit facilities, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, some important corporate events, such as leveraged recapitalizations, may not, under the Indenture that governs the notes, constitute a change of control that would require us to repurchase the notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings or the value of the notes. See Description of Notes Change of control.

Holders of the notes may not be able to determine when a sale of substantially all of our or a guarantor's assets has occurred.

The covenants restricting consolidations, mergers or sales of all or substantially all assets in the Indenture that governs the notes include a phrase relating to the sale of all or substantially all of the Company's or any subsidiary guarantor's assets. See Description of Notes Consolidation, merger or sale of assets. There is no precise established definition of the phrase substantially all under applicable law. Accordingly, the ability of a holder of notes to enforce these covenants as a result of a sale of less than all our assets to another person may be uncertain.

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Federal and state fraudulent transfer laws may permit a court to void the notes and/or the guarantees, and if that occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of the guarantees of the notes. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or the guarantees thereof could be voided as a fraudulent transfer or conveyance if the Company or any of the guarantors, as applicable, (a) issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (b) received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (b) only, one of the following is also true at the time thereof:

the Company or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;

the issuance of the notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital or assets to carry on the business;

the Company or any of the guarantors intended to, or believed that the Company or such guarantor would, incur debts beyond the Company's or the guarantor's ability to pay as they mature; or

the Company or any of the guarantors were a defendant in an action for money damages, or had a judgment for money damages docketed against the Company or the guarantor if, in either case, the judgment is unsatisfied after final judgment.

A court would likely find that a subsidiary guarantor did not receive reasonably equivalent value or fair consideration for its guarantee to the extent the guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the notes.

We cannot be certain as to the standards a court would use to determine whether or not the Company or the guarantors were insolvent at the relevant time or, regardless of the standard that a court uses, whether the notes or the guarantees would be subordinated to the Company's or any of the guarantors' other debt. In general, however, a court would deem an entity insolvent if:

the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they became due.

If a court were to find that the issuance of the notes or the incurrence of a guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or that guarantee and could require the holders of the notes to repay any amounts received with respect to that guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the avoidance of the notes or the guarantees could result in an event of default with respect to the Company's and the Company's subsidiaries' other debt that could result in acceleration of that debt.

Finally, as a court of equity, a bankruptcy court could subordinate the claims in respect of the notes to other claims against us under the principle of equitable subordination if the court determines that (1) the holder of notes engaged in some type of inequitable conduct, (2) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of notes and (3) equitable subordination is not inconsistent with the provisions of the bankruptcy code.

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A lowering or withdrawal of the ratings assigned to our debt securities by rating agencies may increase our future borrowing costs and reduce our access to capital.

Our debt currently has a non-investment grade rating, and any rating assigned could be lowered or withdrawn entirely by a rating agency if, in that rating agency's judgment, future circumstances relating to the basis of the rating, such as adverse changes, so warrant. Consequently, real or anticipated changes in our credit ratings will generally affect the market value of the notes. Credit ratings are not recommendations to purchase, hold or sell the notes. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of the notes. Any downgrade by either Standard & Poor's or Moody's could decrease earnings and may result in higher borrowing costs.

Any future lowering of our ratings likely would make it more difficult or more expensive for us to obtain additional debt financing. If any credit rating initially assigned to the notes is subsequently lowered or withdrawn for any reason, you may not be able to resell your notes without a substantial discount.

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USE OF PROCEEDS

We will not receive any proceeds from the issuance of the exchange notes in the exchange offer. The exchange offer is intended to satisfy our obligations under the registration rights agreement that we entered into in connection with the private offering of the outstanding notes. As consideration for issuing the exchange notes as contemplated in this prospectus, we will receive in exchange a like principal amount of outstanding notes, the terms of which are identical in all material respects to the exchange notes, except that the exchange notes will not contain terms with respect to transfer restrictions or additional interest upon a failure to fulfill certain of our obligations under the registration rights agreement. The outstanding notes that are surrendered in exchange for the exchange notes will be retired and cancelled and cannot be reissued. As a result, the issuance of the exchange notes will not result in any change in our capitalization.

Table of Contents**CAPITALIZATION**

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2011. Completion of the exchange offer will not result in any change to our capitalization.

This table is derived from and is qualified in its entirety by reference to, our historical financial statements and the accompanying notes included elsewhere in this prospectus, and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our combined and consolidated financial statements and notes to our combined and consolidated financial statements included elsewhere in this prospectus.

	September 30,
	2011
	(Dollars in thousands)
Cash and cash equivalents	\$ 110,850
Debt:	
Long-term debt, including current portion	
Senior credit facilities ⁽¹⁾	297,784
Notes	400,000
Total debt	\$ 697,784
Equity:	
Common stock, par value \$0.01 per share (300,000,000 shares authorized; 70,006,000 shares issued and outstanding)	\$ 700
Additional paid in capital	556,292
Accumulated other comprehensive income	437
Retained earnings	12,003
Total SunCoke Energy, Inc. stockholders' equity	569,432
Noncontrolling interests	35,063
Total equity	604,495
Total capitalization	\$ 1,302,279

(1) Includes unamortized debt discount of \$1.5 million.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table contains our ratio of earnings to fixed charges for the periods indicated. For purposes of computing the ratio of earnings to fixed charges, earnings consist of income before income taxes plus fixed charges and amortization of capitalized interest less capitalized interest and noncontrolling interest in pre-tax income of subsidiaries that have not incurred fixed charges. Fixed charges consist of interest costs and the interest portion of rent expense. The pro forma ratios set forth below give effect to the Separation, IPO and related financing transactions as if they occurred on January 1, 2010. Exhibit 12.1, filed as part of the registration statement of which this prospectus is a part, reflects the calculation of the ratios.

This table is should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and our combined and consolidated financial statements and notes to our combined and consolidated financial statements included elsewhere in this prospectus.

		Years Ended December 31				Pro Forma		
	2010	2009	2008	2007	2006	Nine Months Ended September 30 2011	Year Ended December 31 2010	Nine Months Ended September 30 2011
Ratio of earnings to fixed charges	27.7x	31.0x	13.3x	1.7x	5.5x	5.1x	3.4x	1.5x

Table of Contents**SELECTED HISTORICAL FINANCIAL AND OPERATING DATA**

The following selected historical combined financial data as of December 31, 2010, 2009 and 2008, and for the years then ended have been derived from our audited combined financial statements. We derived our selected historical combined financial data as of December 31, 2007 and 2006 and for the years then ended and our selected historical combined and consolidated financial data as of September 30, 2011 and 2010 and for the nine month periods then ended from our unaudited combined financial statements.

Our financial statements include allocations of costs from certain corporate and shared services functions provided to us by Sunoco, as well as costs associated with participation by certain of our executives in Sunoco's benefit and management incentive plans. The allocation methods for corporate and shared services costs vary by function but generally consist of one of the following: level of support required, usage, headcount or historical costs of assets. The employee benefit costs are allocated as a percentage of the executives' actual pay while the incentive plan costs represented the actual costs associated with the executives.

The financial statements included in this prospectus may not necessarily reflect our financial position, results of operations and cash flows as if we had operated as a stand-alone public company during all periods presented. Accordingly, our historical results should not be relied upon as an indicator of our future performance.

The information below should be read in conjunction with Use of Proceeds, Capitalization, Management's Discussion and Analysis of Financial Condition and Results of Operations, and our audited financial statements and related notes, which are included elsewhere in this prospectus.

	2010	Years Ended December 31			2006	Nine Months Ended September 30	
		2009	2008	2007	(unaudited)	2011	2010
				(unaudited)	(unaudited)	(unaudited)	(unaudited)
Income Statement Data:							
Revenues							
Sales and other operating revenue	\$ 1,316,547	\$ 1,124,016	\$ 838,936	\$ 515,162	\$ 484,770	\$ 1,113,724	\$ 1,009,197
Other income, net ^(1,2)	10,046	20,970	1,315	4,547	43,226	1,051	180
Total revenues	1,326,593	1,144,986	840,251	519,709	527,996	1,114,775	1,009,377
Costs and operating expenses							
Cost of products sold and operating expenses	1,036,944	860,830	630,771	456,967	439,094	933,266	773,510
Loss on firm purchase commitments						18,544	
Selling, general and administrative expenses	67,232	40,205	34,244	27,676	23,523	64,803	41,537
Depreciation, depletion, and amortization	48,157	32,323	24,554	20,181	17,216	42,377	35,832
Total costs and operating expenses	1,152,333	933,358	689,569	504,824	479,833	1,058,990	850,879
Operating income	174,260	211,628	150,682	14,885	48,163	55,785	158,498
Interest income (primarily from affiliate)	23,722	24,510	27,569	34,236	34,643	12,769	17,998
Interest cost - affiliate	(5,435)	(5,663)	(11,187)	(16,569)	(7,706)	(3,565)	(4,422)
Interest cost						(8,860)	
Capitalized interest	701	1,493	3,999	4,280		5,344	421
Total financing income, net	18,988	20,340	20,381	21,947	26,937	5,688	13,997
Income before income tax expense	193,248	231,968	171,063	36,832	75,100	61,473	172,495
Income tax expense (benefit)	46,942	20,732	38,131	(13,501)	443	10,093	41,266
Net income	146,306	211,236	132,932	50,333	74,657	51,380	131,229
Less: Net income (loss) attributable to noncontrolling interests ⁽³⁾	7,107	21,552	19,028	19,883	37,864	(1,226)	10,466

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Net income attributable to net parent investment/SunCoke Energy, Inc. stockholders	\$ 139,199	\$ 189,684	\$ 113,904	\$ 30,450	\$ 36,793	\$ 52,606	\$ 120,763
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	Years Ended December 31					Nine Months Ended September 30	
	2010	2009	2008	2007 (unaudited)	2006 (unaudited)	2011 (unaudited)	2010 (unaudited)
(Dollars in thousands)							
Earnings per common share⁽⁴⁾ (unaudited):							
Basic	\$ 1.99	\$ 2.71	\$ 1.63	\$ 0.44	\$ 0.53	\$ 0.75	\$ 1.73
Diluted	\$ 1.99	\$ 2.71	\$ 1.63	\$ 0.44	\$ 0.53	\$ 0.75	\$ 1.73
Weighted-average shares of common stock outstanding⁽⁴⁾:							
Basic	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Diluted	70,000	70,000	70,000	70,000	70,000	70,000	70,000
Cash Flows Data:							
Net cash provided by operating activities	\$ 296,603	\$ 187,246	\$ 171,330	\$ 73,035	\$ 54,902	\$ 58,679	\$ 253,925
Net cash used in investing activities	\$ (213,921)	\$ (215,106)	\$ (304,469)	\$ (220,247)	\$ (13,919)	\$ (221,792)	\$ (135,761)
Net cash provided by (used in) financing activities ⁽⁵⁾	\$ (45,331)	\$ 7,619	\$ 133,703	\$ 156,726	\$ (165,780)	\$ 233,871	\$ (102,636)
Capital expenditures:							
Ongoing ⁽⁶⁾	\$ 45,943	\$ 28,218	\$ 15,545	\$ 15,645	\$ 13,459	\$ 29,852	\$ 29,758
Expansion ⁽⁷⁾	169,714	186,976	288,928	165,439		154,365	106,075
Total	\$ 215,657	\$ 215,194	\$ 304,473	\$ 181,084	\$ 13,459	\$ 184,217	\$ 135,833
Balance Sheet Data (at period end):							
Properties, plants and equipment, net ⁽⁸⁾	\$ 1,180,208	\$ 1,012,771	\$ 826,072	\$ 545,314	\$ 383,781	\$ 1,416,279	\$ 1,112,739
Total assets	\$ 1,718,466	\$ 1,546,686	\$ 1,312,905	\$ 992,489	\$ 767,224	\$ 1,879,194	\$ 1,627,933
Total debt (including current portion) due to affiliates	\$ 944,325	\$ 434,269	\$ 408,039	\$ 244,052	\$ 51,685		\$ 886,385
Total debt (including current portion) due to unrelated parties	\$	\$	\$	\$	\$	\$ 697,784	\$
Net parent investment/SunCoke Energy, Inc. stockholders' equity	\$ 369,541	\$ 741,994	\$ 552,412	\$ 445,938	\$ 412,149	\$ 569,432	\$ 347,041
Coke Operating Data:							
Owned and Operated Capacity Utilization (%)							
	97	90	95	99	101	100	97
Domestic coke sales volumes owned and operated plants (thousands of tons)							
	3,638	2,813	2,628	2,460	2,534	2,767	2,726
International coke production operated plant (thousands of tons)							
	1,636	1,263	1,581	1,091		1,149	1,266
Coal Operating Data⁽⁹⁾:							
Coal sales (thousands of tons):							
Internal use	1,275	1,189	1,170	1,209	1,164	865	955
Third parties	2	25	63	66	100	226	
Total	1,277	1,214	1,233	1,275	1,264	1,091	955
Coal production (thousands of tons)	1,104	1,134	1,179	1,220	1,179	1,015	846

- (1) Includes preferred dividend income from our investment in the company which owns the coke facility we operate in Brazil of \$9.5 and \$19.0 million for the years ended December 31, 2010 and 2009, respectively.
- (2) Includes nonconventional fuel tax credits and other tax benefits allocated to third-party investors in our Indiana Harbor cokemaking operations for the year ended December 31, 2007 and our Indiana Harbor and Jewell cokemaking operations for the year ended December 31, 2006 totaling \$3.6 and \$47.0 million, respectively.
- (3) Represents amounts attributable to third-party investors in our Indiana Harbor cokemaking operations for all years presented. The amount for the year ended December 31, 2006 also includes amounts attributable to a third-party investor in our Jewell cokemaking operations. We repurchased the interest of the third-party investors in our Jewell cokemaking operations in December 2006 for \$155.3 million.
- (4) The weighted average number of common shares outstanding for all periods presented includes 70.0 million shares of common stock owned by Sunoco on the Separation Date as a result of its contribution of the assets of its cokemaking and coal mining operations to SunCoke Energy, Inc. and related capitalization. For the nine-month period ended September 30, 2011, diluted earnings per share is calculated to give effect to share-based compensation awards granted in connection with the IPO, using the treasury stock method. There is no difference between basic and diluted earnings per share for the other periods presented, since there were no dilutive securities outstanding during these periods.
- (5) Includes \$155.3 million use of cash for repurchase of the interest of a third-party investor in our Jewell cokemaking operations in December 2006.
- (6) Ongoing capital expenditures are capital expenditures made to replace partially or fully depreciated assets in order to maintain the existing operating capacity of the assets and/or to extend their useful lives. Ongoing capital expenditures also include new equipment which improves the efficiency, reliability or effectiveness of existing assets. Ongoing capital expenditures do not include normal repairs and maintenance expenses which are expensed as incurred.

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- (7) Expansion capital expenditures are capital expenditures made to construct new facilities as well as spending to acquire new facilities or assets which are complementary to our existing assets.
- (8) Includes lease and mineral rights.
- (9) Includes production from company and contractor-operated mines.

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UNAUDITED PRO FORMA COMBINED AND CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma combined and consolidated financial statements of SunCoke Energy, Inc. consist of unaudited pro forma combined and consolidated statements of income for the fiscal year ended December 31, 2010 and the nine months ended September 30, 2011. The unaudited pro forma combined financial statements should be read in conjunction with the sections of this prospectus entitled Arrangements Between Sunoco and Our Company, Management's Discussion and Analysis of Financial Condition and Results of Operations, our audited combined financial statements and the corresponding notes for the year ended December 31, 2010 and our unaudited combined and consolidated financial statements as of and for the nine months ended September 30, 2011 and the corresponding notes included elsewhere in this prospectus.

The unaudited pro forma combined and consolidated financial statements included in this prospectus have been derived from our historical combined financial statements included elsewhere in this prospectus and do not necessarily reflect what our financial position and results of operations would have been if we had operated as an independent, publicly-traded company during the periods shown. In addition, they are not necessarily indicative of our future results of operations or financial condition. The assumptions and estimates used and pro forma adjustments derived from such assumptions are based on currently available information, and we believe such assumptions are reasonable under the circumstances.

The unaudited pro forma combined and consolidated financial statements give effect to the following transactions as if each had occurred on January 1, 2010:

The contribution of certain assets and liabilities of Sunoco to SunCoke Energy, Inc.;

The issuance by SunCoke Energy, Inc. of \$700 million aggregate value of long-term debt;

The payment of debt financing fees of \$18.9 million;

The contribution of The Claymont Investment Company LLC, a wholly owned subsidiary of Sunoco, to SunCoke Energy, Inc. concurrent with the separation of our business from Sunoco prior to the IPO primarily to transfer certain intercompany receivables from and intercompany notes payable to our Jewell, Indiana Harbor, and other subsidiaries;

The grant of approximately 1.4 million stock options and 0.3 million restricted stock units to certain executives and other key employees of SunCoke Energy, Inc.; and

The completion of the IPO at an initial public offering price of \$16.00 per share. As all of the proceeds of the IPO were received by the debt exchange party, the IPO had no impact on the pro forma financial statements.

We anticipate incurring incremental general and administrative costs (e.g., cost of tax return preparation, annual and quarterly reports to shareholders, investor relations and registrar and transfer agent fees) at an annual rate of approximately \$15 million to \$20 million, including incremental insurance costs. We estimate the nonrecurring operating costs that we will incur during transition to being a stand-alone public company to be approximately \$10 million. The pro forma financial statements do not reflect any adjustment for these estimated incremental costs or adjustments to the general and administrative costs allocated to SunCoke Energy, Inc. by Sunoco as described above.

Table of Contents**SunCoke Energy, Inc.****Pro Forma Combined Statement of Income (Unaudited)****For the Year Ended December 31, 2010****(dollars in thousands, except per share amounts)**

	Historical	Financing Transactions	Separation Transactions	Pro Forma
Revenues				
Sales and other operating revenue	\$ 1,316,547	\$	\$	\$ 1,316,547
Other income, net	10,046			10,046
Total revenues	1,326,593			1,326,593
Costs and expenses				
Cost of products sold and operating expenses	1,036,944			1,036,944
Selling, general and administrative expenses	67,232		4,780 (F)	72,012
Depreciation, depletion, and amortization	48,157			48,157
Total operating expenses	1,152,333		4,780	1,157,113
Operating income	174,260		(4,780) (G)	169,480
Interest income affiliate	23,687		(23,687) (G)	
Interest income	35			35
Interest cost affiliate	(5,435)		5,435 (G)	
Interest cost		(30,500) (A)		(46,150)
		(12,000) (B)		
		(750) (C)		
		(2,900) (D)		
Capitalized interest	701	7,777 (E)	(701) (G)	7,777
Net Financing Income (Expense)	18,988	(38,373)	(18,953)	(38,338)
Income before income tax expense (benefit)	193,248	(38,373)	(23,733)	131,142
Income tax expense (benefit)	46,942	(13,047) (I)	(8,069) (I)	25,826
Net income	146,306	(25,326)	(15,664)	105,316
Less: Net income attributable to noncontrolling interests	7,107			7,107
Net income attributable to net parent investment	\$ 139,199	\$ (25,326)	\$ (15,664)	\$ 98,209
Earnings per common share:				
Basic	\$ 1.99			\$ 1.40
Diluted	\$ 1.99			\$ 1.40
Weighted average common shares outstanding:				
Basic	70,000			70,000
Diluted	70,000			70,000

Table of Contents**SunCoke Energy, Inc.****Pro Forma Combined and Consolidated Statement of Income (Unaudited)****For the Nine Months Ended September 30, 2011****(dollars in thousands, except per share amounts)**

	Historical	Financing Transactions	Separation Transactions	Pro Forma
Revenues				
Sales and other operating revenue	\$ 1,113,724	\$	\$	\$ 1,113,724
Other income, net	1,051			1,051
Total revenues	1,114,775			1,114,775
Costs and operating expenses				
Cost of products sold and operating expenses	933,266			933,266
Loss on firm purchase commitments	18,544			18,544
Selling, general and administrative expenses	64,803		3,585 (F)	68,388
Depreciation, depletion, and amortization	42,377			42,377
Total costs and operating expenses	1,058,990		3,585 &nbs	1,062,575