



FOR IMMEDIATE RELEASE

**STERLING CONSTRUCTION COMPANY, INC. AFFILIATE,
ROAD AND HIGHWAY BUILDERS, IS AWARDED A
HAWAII PROJECT VALUED AT APPROXIMATELY \$61 MILLION**

THE WOODLANDS, TX – January 4, 2016 – Sterling Construction Company, Inc. (NasdaqGS: STRL) (“Sterling” or the “Company”) today announced that its affiliate, Road and Highway Builders, LLC (RHB), is apparent low bidder on a \$61.0 million Federal Highway Administration (FHWA) project to perform reconstruction work on a 6.6 mile stretch of the Daniel K. Inouye Highway on the “Big Island” of Hawaii. The project, which will begin in the first quarter of 2016 and be completed in approximately two years, will require 800,000 cubic yards of excavation, construction of several large concrete structures, and 80,000 tons of asphalt paving.

Paul J. Varello, Sterling’s Chief Executive Officer, commented, “The Daniel K. Inouye Highway, known to locals as Saddle Road, was built in the 1940’s to connect the major population centers on the east and west coasts of the island. In 2004, FHWA began a multi-phase project to upgrade the original 48-mile route to meet the current standards of the American Association of State Highway and Transportation Officials. RHB completed one of the phases between 2009 and 2011. The current phase requires a high degree of experience and sophisticated construction capabilities given the highway’s age and its maximum elevation of over 6,600 feet. We are pleased to have been selected to rebuild a portion of this important and historic roadway, and look forward to collaborating with the FHWA on other projects throughout the Hawaiian Islands.”

Sterling is a leading heavy civil construction company that specializes in the building and reconstruction of transportation and water infrastructure projects in Texas, Utah, Nevada, Arizona, California, Hawaii, and other states where there are profitable construction opportunities. Its transportation infrastructure projects include highways, roads, bridges and light rail. Its water infrastructure projects include water, wastewater and storm drainage systems.

This press release includes certain statements that fall within the definition of “forward-looking statements” under the Private Securities Litigation Reform Act of 1995. Any such statements are subject to risks and uncertainties, including overall economic and market conditions, federal, state and local government funding, competitors’ and customers’ actions, and weather conditions, which could cause actual results to differ materially from those anticipated, including those risks identified in the Company’s filings with the Securities and Exchange Commission. Accordingly, such statements should be considered in light of these risks. Any prediction by the Company is only a statement of management’s belief at the time the prediction is made. There can be no assurance that any prediction once made will continue thereafter to reflect management’s belief, and the Company does not undertake to update publicly its predictions or to make voluntary additional disclosures of nonpublic information, whether as a result of new information, future events or otherwise.

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