



**FOR IMMEDIATE RELEASE**

**STERLING CONSTRUCTION COMPANY, INC. ANNOUNCES  
CREDIT FACILITY AMENDMENT**

**EVALUATING SEVERAL DEBT FINANCING PROPOSALS**

THE WOODLANDS, TX – March 16, 2015 – Sterling Construction Company, Inc. (NasdaqGS: STRL) (“Sterling” or “the Company”) today announced that it has entered into an amended credit agreement with its primary lender, Comerica Bank and is actively considering several debt financing proposals to replace the credit facility. The amended agreement waives the breach of the tangible net worth covenant which occurred in the fourth quarter of 2014. The amendment reduces the total capacity of the revolving line of credit from \$40 million to \$35 million. The first covenant test subsequent to the amendment will be in May based on Sterling’s results for April 2015. This amendment allows the Company to complete the filing of its full year 2014 results with the agreement in place and provides it with adequate liquidity to fund its ongoing operations.

Additional conditions of the amendment include:

- A reduction in the total capacity of the line of credit to \$25 million on June 1, 2015 and a reduction to \$15 million on September 1, 2015;
- An increase in cost from Prime + 150 basis points to Prime + 350 basis points;
- An amendment fee of \$400,000 spread over four equal payments due at closing, June 30th, September 30th, and December 30, 2015;
- Remaining unpaid fees are waived if at any point during the year the Company liquidates and terminates the line of credit a month before a payment becomes due; and,
- The Tangible Net Worth covenant will be reset to \$75 million and the Debt and Asset Coverage covenants remain the same.

The Company has been evaluating several debt financing proposals with new lenders and expects to replace the current revolving credit line with a new credit facility by the end of April. Thomas Wright, Sterling’s Executive Vice President and Chief Financial Officer, stated, “Sterling has a large asset base comprised of a sizeable fleet of modern construction equipment. As a result, a number of lenders have expressed an interest in potentially replacing our existing line of credit. We are currently in the process of evaluating several debt financing proposals, any of which will fully replace our previous facility of \$40 million. This should provide us with adequate liquidity to fund our ongoing operations and support our growth for the foreseeable future.”

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 construction opportunities. Its transportation infrastructure projects include highways, roads, bridges and light rail and 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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