



FOR IMMEDIATE RELEASE

STERLING CONSTRUCTION SUBSIDIARY, RALPH L. WADSWORTH, ACQUIRES ARIZONA-BASED J. BANICKI CONSTRUCTION, INC.

HOUSTON, TX – August 4, 2011 -- Sterling Construction Company, Inc. (NasdaqGS:STRL) ("Sterling" or the "Company") today announced that it has acquired Arizona-based J. Banicki Construction, Inc. ("Banicki"). Banicki, a heavy civil contractor founded in 1990, builds construction projects for both public and private owners in Arizona. In addition to its strong Arizona presence and capabilities in structural concrete, utilities and paving, Banicki has also excelled at alternative bidding methods such as Construction Management at Risk.

Under the terms of the transaction, Banicki was purchased by Sterling's Utah-based subsidiary, Ralph L. Wadsworth ("RLW"). RLW acquired 100% of Banicki's stock for \$8 million plus a 5-year earn-out that will begin once Banicki achieves \$2 million in EBITDA annually. As part of the agreement, Banicki was required to deliver certain levels of tangible equity and working capital at the closing date. Jerry Banicki will remain President and Banicki will continue to be managed by its current senior management team. Based on historical performance and current backlog, it is expected that Banicki will contribute annual revenue of between \$20 and \$25 million.

Kip Wadsworth, CEO of RLW stated, "We are pleased to expand our geographic reach into Arizona. It is an important future market for the development of Sterling and the location complements our growing presence in the southwest."

Sterling is a leading heavy civil construction company that specializes in the building and reconstruction of transportation and water infrastructure in large markets in the western United States. Its transportation infrastructure projects include highways, roads, bridges and light rail, airports 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, 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, whether as a result of new information, future events or otherwise.

Contact:

Sterling Construction Company, Inc.
Brian Manning, P.E.
EVP & Chief Business Development Officer
Elizabeth Brumley
Chief Accounting Officer & Controller
281-821-9091

Investor Relations Counsel
The Equity Group Inc.
Linda Latman 212-836-9609
Lena Cati 212-836-9611