



**FOR IMMEDIATE RELEASE**

**STERLING CONSTRUCTION COMPANY, INC. ANNOUNCES A DIRECTOR RETIREMENT  
AND THE ELECTION OF NEW INDEPENDENT DIRECTORS**

Houston, TX — January 22, 2014 – Sterling Construction Company, Inc. (Nasdaq GS: STRL) (the “Company” or “Sterling”) today announced the retirement from the Board of John D. Abernathy, and the election of two new independent Board members, Marian M. Davenport and Paul J. Varello on January 21, 2014.

Ms. Davenport currently serves as Executive Director of the Houston office of Genesys Works, a nationally-recognized non-profit organization that trains and employs economically disadvantaged high school students to work as professionals in major corporations during their senior year. Before joining Genesys Works in 2013, she held senior executive positions with Big Brothers Big Sisters Lone Star. Prior to that, she held various leadership positions with energy company Dynegy Inc. from 1997 through 2002. Earlier in her career, Ms. Davenport served as general counsel of Destec Energy, Inc. and as in-house counsel for PSE Inc., Cameron Iron Works, Inc. and Southern Union Company. She received a bachelor’s degree (cum laude, Phi Beta Kappa) from The Colorado College in Colorado Springs, and a Juris Doctor from the University of Denver College of Law. In addition to her executive positions, Ms. Davenport has also served on boards and committees for numerous non-profit organizations in the Houston area, including Neighborhood Centers Inc., Fourth Ward Redevelopment Authority, and American Leadership Forum. Recognized as an advocate for women in leadership positions, she was named one of the 50 Most Influential Women by Houston Woman Magazine in 2009.

Mr. Varello is Founder and Chairman of Commonwealth Engineering & Construction, LLC (CEC), an engineering and construction management firm specializing in the design and construction of major capital projects for the oil and gas, refining, alternative fuels, power and related energy industries. Prior to founding CEC in 2003, he was senior partner of Varello & Associates, which provided consulting services to project lenders, plant operators and engineering companies. From 1990 through 2001 Mr. Varello served as Chairman and CEO of American Ref-Fuel Company, a 50/50 joint venture between publicly-traded Air Products & Chemicals (NYSE: APCI) and Browning Ferris International (NYSE: BFI). Before that, he held managerial positions of increasing responsibility with Fluor Corporation (NYSE: FLR) from 1972 to 1990, leaving as President of Fluor’s Process Sector in Irvine, CA. Mr. Varello was a project engineer with the heavy construction group of Dravo Corporation in Seattle from 1966 through 1972, and between 1965 and 1966 he was a quality control engineer with the State of California Department of Water Resources. He received a bachelor’s degree in civil engineering from Villanova University, completed a leadership development program at Emory University and an advanced management program at the Harvard Business School. Mr. Varello is a registered professional engineer in California, Texas and Louisiana, has been a monitor trustee for the U.S. Federal Trade Commission, and member of several professional organizations including the Integrated Waste Services Association, the American Society of Civil Engineers, the American Institute of Chemical Engineers and the National Association of Corporate Directors.

In a joint statement, Sterling's Chairman, Patrick T. Manning and its President & CEO, Peter E. MacKenna, said "We are sorry to report the retirement of John Abernathy, who has been a director of the Company since 1994, and we are pleased to welcome Marian and Paul to our Board, two highly-accomplished individuals with diverse professional backgrounds, senior management and leadership experience, and strong ties to the Houston community. We look forward to their input, feedback and independent voices on our Board. We would like to thank John Abernathy for his dedicated twenty years of service to our Company."

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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