



**FOR IMMEDIATE RELEASE**

**STERLING CONSTRUCTION COMPANY, INC.**  
**INITIATES SEARCH FOR NEW CHIEF EXECUTIVE OFFICER AND**  
**ANNOUNCES PLANNED RETIREMENT OF JOSEPH P. HARPER, SR.**

HOUSTON, TX — February 17, 2012--Sterling Construction Company, Inc. (NasdaqGS:STRL), ("Sterling" or the "Company") today announced that the Board of Directors has decided to separate the roles of Chairman and Chief Executive Officer and has launched a search for a new CEO. The search is being overseen by an *ad hoc* search committee of independent directors headed by Sterling's Lead Director, Maarten Hemsley, using the services of Heidrick & Struggles, an international executive search firm.

Sterling's current Chairman and CEO, Patrick T. Manning, 65, will continue to serve in his dual roles throughout the recruitment process until the new CEO is elected, and thereafter will remain Chairman, pursuant to the terms of his employment agreement which runs through 2013.

The Company also announced that its President and Chief Operating Officer, Joseph P. Harper, Sr., 66, will retire when his current employment agreement expires at the end of 2012, but will remain a director. A decision about Mr. Harper's successor as President and COO will be made after the election of a new CEO.

These changes reflect the culmination of a succession planning process that was undertaken by the Board of Directors and senior management as the Company's CEO and COO neared retirement age.

Commenting, Mr. Hemsley stated, "Under the joint leadership of Pat and Joe, Sterling has grown to become a very successful half-billion dollar, geographically-diverse, heavy civil construction company. Joe is looking forward to retirement after spending nearly his entire career with the Company. Both Joe and Pat will remain in their current roles during the search process and will be available to assist in the transition aided by the management teams at our subsidiaries."

Sterling is a leading heavy civil construction company that specializes in the building and reconstruction of transportation and water infrastructure in Texas, Utah, Nevada, Arizona, California 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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