



NEWS RELEASE

FOR IMMEDIATE RELEASE

December 19, 2016

VERSAR-ERRG JV AWARDED NEW CONTRACT FOR ENVIRONMENTAL SERVICES & CONSTRUCTION ON BEHALF OF AIR FORCE CIVIL ENGINEER CENTER

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Springfield, VA – December 19, 2016, – Versar, Inc. (NYSE MKT: VSR) announced today that the Versar-ERRG Joint Venture team was awarded the Environmental Services & Construction ID/IQ contract for the Pacific Air Forces Region (ES&C-PACAF) with a contract ceiling to be shared among eight awardees totaling \$48 million. This new contract, for work on behalf of the Air Force Civil Engineer Center (AFCEC), provides for the performance of Environmental Operations and Services, Environmental Restoration, and Environmental Construction services. It is intended to facilitate environmental programs and related work in AFCEC's PACAF region, including potential task order assignments in Alaska, Hawaii, and Korea/Japan. The contract vehicle has a five-year ordering period, during which task orders may be awarded and performed. Any awarded work may also be performed for three additional years following the basic five-year ordering period. Versar is the managing partner of the Joint Venture.

Tony Otten, CEO of Versar, said, "We are very pleased to continue our work with AFCEC and recognize the importance of the PACAF region to the U.S. Air Force and the Defense Department in the coming years. AFCEC is a significant and long-standing Versar customer. Through our proven remediation capabilities and ongoing environmental work with ERRG, Inc., the Joint Venture offers AFCEC a dedicated and highly qualified team for assignments in the United States and around the world."

Cindy Liu, President and CEO of ERRG, said, "We are honored that our Joint Venture team was selected by AFCEC to support PACAF, and we look forward to providing meaningful and practical solutions to the environmental challenges facing AFCEC. Additionally, we are delighted that this contract allows us to continue the highly successful working relationship between Versar and ERRG that began in 2011."

VERSAR, INC., headquartered in Springfield, Virginia, is a publicly-traded global project management company providing sustainable value oriented solutions to government and commercial clients in the construction management, environmental services, and professional services market areas.

VERSAR operates the following websites: www.versar.com and www.versarpps.com.

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For more information, please contact Investor Relations at:

6850 Versar Center, Suite 201 Springfield, VA 22151 703.642.6706 InvestorRelations@versar.com www.versar.com

This news release contains forward-looking information. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements may be significantly impacted by certain risks and uncertainties described herein and in Versar's Annual Report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended June 26, 2015, as updated from time to time in the Company's periodic filings. The forward-looking statements are made as of the date hereof and Versar does not undertake to update its forward-looking statements.

Contact:	Karin Weber M&A, Investor Relations Manager Versar, Inc. (703) 642-6706 kweber@versar.com	Robert Ferri Robert Ferri Partners (415) 575-1589 robert.ferri@robertferri.com
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