



NEWS RELEASE

FOR IMMEDIATE RELEASE

September 7, 2016

VERSAR ANNOUNCES SIGNING OF TERM SHEET FOR NEW CREDIT FACILITY

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Springfield, VA – September 7, 2016, – Versar, Inc. (NYSE MKT: VSR) today announced that it has signed an indicative term sheet with an undisclosed lender for a new credit facility to take effect upon completion of due diligence and negotiation of final deal terms. This new credit facility will replace Versar’s existing Loan Agreement with Bank of America, which is currently subject to a forbearance agreement through the end of September 2016.

The Company will provide additional details of the replacement credit facility upon effectiveness, which is subject to the completion of due diligence, the execution of a definitive agreement and satisfaction of all customary conditions for such a transaction. Subject to the foregoing, the Company expects that the new facility will have a two year term.

“Versar is pleased with the commitment and willingness of our prospective lender to provide our company with access to capital at this time,” said Versar Chief Executive Officer Tony Otten. “While there is no certainty that a new facility agreement will be completed, we are optimistic that the two parties can shortly conclude our discussions and enter into an agreement that will enable Versar to maintain its long-term trajectory toward growth and profitability.”

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.

Find out more about **VERSAR** at



<https://twitter.com/VersarInc>



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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.

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