

OMNITEK ENGINEERING CORP. REPORTS FIRST QUARTER RESULTS

--Revenues Up 23 Percent; Net Loss Sharply Decreased--

VISTA, CA — May 11, 2018 — Omnitek Engineering Corp. (OTCQB: OMTK) today reported results for its first quarter ended March 31, 2018 -- reflecting increased sales, a sharply reduced net loss and a solid pipeline of anticipated orders for the balance of the year.

Revenues for the three months ended March 31, 2018 increased 23 percent to \$359,530 compared with \$291,654 a year earlier. For the same period, the company reported a net loss of \$98,090, or \$0.00 per share, compared with a net loss of \$209,041, or (\$0.01) per share, a year ago. The net loss for the quarter ended March 31, 2018 includes a non-cash inventory reserve adjustment of \$25,000. The inventory reserve adjustment represents a non-cash charge for slow-moving inventory.

Gross margin for the three months ended March 31, 2018, which includes the non-cash inventory adjustment referred to above, was \$155,038 compared with \$139,041 a year ago. Adjusted gross margin as a percentage of sales for the three months ended March 31, 2018 was 50 percent compared with 48 percent a year earlier, excluding the previously noted non-cash inventory reserve adjustment.

Results for the three months ended March 31, 2018 reflect the impact of non-cash expenses, including the value of options and warrants granted in the amount of \$21,971, depreciation and amortization of \$3,981 and inventory reserve adjustment of \$25,000. For the three months ended March 31, 2017, non-cash expenses included options and warrants granted in the amount of \$69,533, depreciation and amortization of \$6,224 and inventory reserve adjustment of \$-0-.

“The dramatic shift from domestic to international demand for engine conversions continued to gain momentum in the first quarter-- primarily due to increasing oil prices, air pollution regulations and the price disparity between diesel and natural gas in foreign markets, which has been further boosted by higher taxes on diesel fuel. Results for the quarter reflect various stages in development programs, particularly in Europe, India and Asia, and we expect a transformative year for the company as sales begin ramping up in these markets,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corp.

Funk noted the 200-nation “Paris Agreement on Climate Change” remains an important catalyst for alternative solutions to diesel fuel overseas, with natural gas being particularly appealing -- especially since the fine-particles (PM2.5) and black carbon emissions from diesel engines and potent greenhouse gas (GHG) emissions are abated when using natural gas.

At March 31, 2018, the company's total current assets were \$1,601,431 and total current liabilities were \$1,218,429 -- resulting in positive working capital of \$383,002 and a current ratio of 1.31 to 1.

About Omnitek Engineering Corp.

Omnitek Engineering Corp. develops and sells proprietary diesel-to-natural gas conversion systems and complementary products, including new natural gas engines that utilize the company's technology -- providing global customers with innovative alternative energy and emissions control solutions that are sustainable and affordable.

Some of the statements contained in this news release discuss future expectations, contain projections of results of operations or financial condition or state other "forward-looking" information. These statements are subject to known and unknown risks, uncertainties, and other factors that could cause the actual results to differ materially from those contemplated by the statements. The forward-looking information is based on various factors and is derived using numerous assumptions. Important factors that may cause actual results to differ from projections include, among many others, the ability of the Company to raise sufficient capital to meet operating requirements, completion of R&D and successful commercialization of products/services, patent completion, prosecution and defense against well-capitalized competitors. These are serious risks and there is no assurance that our forward-looking statements will occur or prove to be accurate. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks," "estimates," and variations of such words and similar expressions are intended to identify such forward-looking statements. Unless required by law, the Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise.

(Financial Tables Follow)

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OMNITEK ENGINEERING CORP.
Consolidated Statement of Operations
(Unaudited)

	For the Three Months Ended March 31, <u>2018</u>	For the Three Months Ended March 31, <u>2017</u>
REVENUES	\$ 359,530	\$ 291,654
COST OF GOODS SOLD	<u>204,492</u>	<u>152,613</u>
GROSS MARGIN	155,038	139,041
OPERATING EXPENSES		
General and administrative	220,530	300,122
Research and development	26,802	39,884
Depreciation and amortization	<u>3,981</u>	<u>6,224</u>
Total Operating Expenses	<u>251,313</u>	<u>346,230</u>
LOSS FROM OPERATIONS	<u>(96,275)</u>	<u>(207,189)</u>
OTHER INCOME (EXPENSE)		
Interest expense	(2,765)	(1,852)
Other income	<u>950</u>	<u>-</u>
Total Other Income (Expense)	<u>(1,815)</u>	<u>(1,852)</u>
LOSS BEFORE INCOME TAXES	(98,090)	(209,041)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>
NET LOSS	<u>\$ (98,090)</u>	<u>\$ (209,041)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>20,281,082</u>	<u>20,281,082</u>

OMNITEK ENGINEERING CORP.**Consolidated Balance Sheet**ASSETS

	March 31, 2018 <u>(unaudited)</u>	December 31, 2017 <u></u>
CURRENT ASSETS		
Cash	\$ 11,522	\$ 23,279
Accounts receivable, net	27,116	7,984
Accounts receivable - related parties	7,752	3,440
Inventory, net	1,512,779	1,554,656
Prepaid expense	20,250	-
Deposits	22,012	17,385
	<u>1,601,431</u>	<u>1,606,744</u>
Total Current Assets		
	<u>1,601,431</u>	<u>1,606,744</u>
FIXED ASSETS, net	<u>3,272</u>	<u>7,253</u>
OTHER ASSETS		
Other noncurrent assets	<u>14,280</u>	<u>14,280</u>
Total Other Assets	<u>14,280</u>	<u>14,280</u>
TOTAL ASSETS	<u>\$ 1,618,983</u>	<u>\$ 1,628,277</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 361,728	\$ 358,032
Accrued management compensation	432,084	406,841
Accounts payable - related parties	125,836	114,321
Notes payable – related parties	15,000	15,000
Convertible notes payable – related parties	15,000	15,000
Contract liabilities	30,000	30,000
Customer deposits	238,781	212,410
	<u>1,218,429</u>	<u>1,151,604</u>
Total Current Liabilities		
	<u>1,218,429</u>	<u>1,151,604</u>
Total Liabilities	<u>1,218,429</u>	<u>1,151,604</u>
STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value		
20,281,082 shares issued and outstanding	8,411,411	8,411,411
Additional paid-in capital	11,874,334	11,852,363
Accumulated deficit	<u>(19,885,191)</u>	<u>(19,787,101)</u>
Total Stockholders' Equity	<u>400,554</u>	<u>476,673</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,618,983</u>	<u>\$ 1,628,277</u>