

**OMNITEK ENGINEERING REPORTS SECOND QUARTER
AND SIX-MONTH RESULTS**

**-- Current Diesel-to-Natural Gas Engine Conversion Pilot Programs Expected to
Drive Sales Momentum in Second Half --**

VISTA, CA — August 15, 2016 — Omnitek Engineering Corp. (OTCQB: OMTK) today reported results for its second quarter and six months ended June 30, 2016 – primarily reflecting the timing of orders between the completion of current pilot programs and the ramp up of fleet conversions on a larger scale.

Net revenues for the second quarter were \$252,316 compared with \$591,185 a year earlier. For the same period, the company reported a net loss of \$292,939, or \$0.01 per share, compared with a net loss of \$168,280, or \$0.01 per share, a year earlier

Results for the three months ended June 30, 2016 reflect the impact of non-cash expenses, including the value of options and warrants granted in the amount of \$81,969 and depreciation and amortization of \$6,976. For the three month period a year earlier, non-cash expenses for the value of options and warrants granted were \$53,486, with depreciation and amortization of \$7,734.

Net revenues for the six-month period were \$591,899 compared with \$1,041,885 a year ago. For the same period, the company reported a net loss of \$489,683, or \$0.02 per share, compared with a net loss of \$405,442, or \$0.02 per share, a year earlier.

Results for the six months ended June 30, 2016 reflect the impact of non-cash expenses, including the value of options and warrants granted in the amount of \$118,068 and depreciation and amortization of \$14,463. For the six-month period a year earlier, non-cash expenses for the value of options and warrants granted were \$87,089 and depreciation and amortization of \$15,524.

Gross margin as a percentage of revenues for the quarter ended June 30, 2016 was 41 percent compared with 54 percent a year earlier due to sales volume and product mix, but consistent with management's target range. Gross margin as a percentage of revenues for the six months was 46 percent compared with 50 percent a year earlier, also consistent with management's target range.

“During the quarter we made significant progress on several ongoing pilot programs, and the level of quote requests from potential fleet customers -- particularly in Mexico, Canada, Europe and China -- continues to gain momentum. Based on current developments and activity, we anticipate accelerating demand and follow-on orders for engine conversion kits and/or converted engines in the second half,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corp.

Air pollution regulations and the price disparity between diesel and natural gas, mostly as a result of higher taxes on diesel fuel in foreign markets, continues to generate significant business opportunities

(more)

for Omnitek -- contributing to a modest order backlog at June 30, 2016 of approximately \$230,000, which is expected to accelerate throughout the balance of this year.

Funk indicated a previously referenced evaluation program for a large domestic fleet customer is proceeding as planned. As previously announced, the engine being developed for this particular program is the Navistar VT365, as used in class 5 and 6 delivery trucks and school buses.

At June 30, 2016, current liabilities totaled \$616,989 and current assets totaled \$2,174,723, resulting in positive working capital of \$1,557,734 million and a current ratio of 3.52 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.
Condensed Statements of Operations (unaudited)

	For the Three Months Ended June 30 <u>2016</u>	For the Three Months Ended June 30 <u>2015</u>	For the Six Months Ended June 30 <u>2016</u>	For the Six Months Ended June 30 <u>2015</u>
REVENUES	\$ 252,316	\$ 591,185	\$ 591,899	\$ 1,041,885
COST OF GOODS SOLD	<u>148,316</u>	<u>269,003</u>	<u>320,493</u>	<u>520,648</u>
GROSS MARGIN	104,000	322,182	271,406	521,237
OPERATING EXPENSES				
General and administrative	341,461	396,841	654,257	747,893
Research and development	46,897	89,655	94,303	166,239
Depreciation and amortization	<u>6,976</u>	<u>7,734</u>	<u>14,463</u>	<u>15,524</u>
Total Operating Expenses	<u>395,334</u>	<u>494,230</u>	<u>763,023</u>	<u>929,656</u>
LOSS FROM OPERATIONS	<u>(291,334)</u>	<u>(172,048)</u>	<u>(491,617)</u>	<u>(408,419)</u>
OTHER INCOME (EXPENSE)				
Other income	1,144	3,934	5,374	3,934
Interest expense	(1,949)	(172)	(2,640)	(172)
Interest income	<u>-</u>	<u>6</u>	<u>-</u>	<u>15</u>
Total Other Income (Expense)	<u>(805)</u>	<u>3,768</u>	<u>2,734</u>	<u>3,777</u>
LOSS BEFORE INCOME TAXES	(292,139)	(168,280)	(488,883)	(404,642)
INCOME TAX EXPENSE	<u>800</u>	<u>-</u>	<u>800</u>	<u>800</u>
NET LOSS	<u>\$ (292,939)</u>	<u>\$ (168,280)</u>	<u>\$ (489,683)</u>	<u>\$ (405,442)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING BASIC AND DILUTED				
	<u>20,030,533</u>	<u>19,981,082</u>	<u>20,005,807</u>	<u>19,980,858</u>

OMNITEK ENGINEERING CORP.

Condensed Balance Sheet

ASSETS

	June 30, 2016 <u>(unaudited)</u>	December 31, 2015 <u></u>
CURRENT ASSETS		
Cash	\$ 27,125	\$ 105,846
Accounts receivable, net	39,965	30,835
Accounts receivable - related parties	13,057	17,257
Inventory, net	2,070,107	2,107,463
Prepaid expense	5,324	6,050
Deposits	19,145	19,745
Total Current Assets	<u>2,174,723</u>	<u>2,287,196</u>
FIXED ASSETS, net	<u>44,969</u>	<u>59,151</u>
OTHER ASSETS		
Intellectual property, net	-	281
Other noncurrent assets	14,280	14,280
Total Other Assets	<u>14,280</u>	<u>14,561</u>
TOTAL ASSETS	<u>\$ 2,233,972</u>	<u>\$ 2,360,908</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 226,239	\$ 145,207
Accrued management compensation	155,413	189,163
Accounts payable - related parties	8,152	7,591
Customer deposits	227,185	230,349
Total Current Liabilities	<u>616,989</u>	<u>572,310</u>
Total Liabilities	<u>616,989</u>	<u>572,310</u>
STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value 20,231,082 and 19,981,082 shares issued and outstanding	8,391,411	8,291,411
Additional paid-in capital	11,564,667	11,346,599
Accumulated deficit	(18,339,095)	(17,849,412)
Total Stockholders' Equity	<u>1,616,983</u>	<u>1,788,598</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,233,972</u>	<u>\$ 2,360,908</u>