

OMNITEK ENGINEERING REPORTS SECOND QUARTER AND SIX-MONTH RESULTS

-- Revenues Up Sharply for Quarter and Six Months --

VISTA, CA — August 6, 2018 — Omnitek Engineering Corp. (OTCQB: OMTK) today reported results for its second quarter and six months ended June 30, 2018 – reflecting increased sales and a sharply reduced net loss for both periods.

Net revenues for the second quarter climbed 50 percent to \$369,555 from \$246,314 a year earlier. For the same period, net loss decreased to \$76,543, or \$0.00 per share, from a net loss of \$191,589, or \$0.01 per share, a year earlier.

Net loss for the quarter included a non-cash inventory reserve adjustment of \$25,000 for slow-moving inventory. Results for the quarter were also impacted by non-cash expenses, including the value of options and warrants granted in the amount of \$5,215 and depreciation and amortization of \$1,745. For the three-month period a year earlier, non-cash expenses included the value of options and warrants granted of \$25,200 and depreciation and amortization of \$6,224.

Net revenues for the six-month period increased 36 percent to \$729,085 from \$537,968 a year ago. For the same period, net loss decreased to \$174,633, or \$0.01 per share, from a net loss of \$400,630, or \$0.02 per share, a year earlier.

Net loss for the six-month period included a non-cash inventory reserve adjustment \$50,000 for slow-moving inventory. Results for the six months were also impacted by non-cash expenses, including the value of options and warrants granted in the amount of \$27,186 and depreciation and amortization of \$5,726. For the six-month period a year earlier, non-cash expenses included the value of options and warrants granted of \$94,733 and depreciation and amortization of \$12,448.

Gross margin as a percentage of revenues was 46 percent for the quarter ended June 30, 2018 compared with 42 percent a year earlier, reflecting product mix. Gross margin as a percentage of revenues for the six months ended June 30, 2018 was 44 percent compared with 45 percent a year earlier.

“Results for the quarter reflect continued momentum for engine conversions and the benefit of increasing demand for company’s proprietary natural gas filters. Higher oil prices, air pollution

(more)

regulations and the price disparity between diesel and natural gas in foreign markets remain important catalysts for our business; and, we continue to expect a transformative year for the company as sales gain further momentum, particularly in China, Turkey and India,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corp.

Funk noted the level of inquires and quote activity from other potential international customers continues to be encouraging, with expectations for continued momentum in the second half.

At June 30, 2018, current liabilities totaled \$1,162,637 and current assets totaled \$1,543,343, resulting in positive working capital of \$380,706 and a current ratio of 1.33 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>2018</u>	For the Three Months Ended June 30 <u>2017</u>	For the Six Months Ended June 30 <u>2018</u>	For the Six Months Ended June 30 <u>2017</u>
REVENUES	\$ 369,555	\$ 246,314	\$ 729,085	\$ 537,968
COST OF GOODS SOLD	<u>200,488</u>	<u>145,794</u>	<u>404,980</u>	<u>298,407</u>
GROSS MARGIN	169,067	100,520	324,105	239,561
OPERATING EXPENSES				
General and administrative	213,776	249,017	434,306	549,139
Research and development	25,767	33,805	52,569	73,689
Depreciation and amortization	<u>1,745</u>	<u>6,224</u>	<u>5,726</u>	<u>12,448</u>
Total Operating Expenses	<u>241,288</u>	<u>289,046</u>	<u>492,601</u>	<u>635,276</u>
LOSS FROM OPERATIONS	<u>(72,221)</u>	<u>(188,526)</u>	<u>(168,496)</u>	<u>(395,715)</u>
OTHER INCOME (EXPENSE)				
Other income	-	-	950	-
Interest expense	<u>(3,522)</u>	<u>(2,263)</u>	<u>(6,287)</u>	<u>(4,115)</u>
Total Other Income (Expense)	<u>(3,522)</u>	<u>(2,263)</u>	<u>(5,337)</u>	<u>(4,115)</u>
LOSS BEFORE INCOME TAXES	(75,743)	(190,789)	(173,833)	(399,830)
INCOME TAX EXPENSE	<u>800</u>	<u>800</u>	<u>800</u>	<u>800</u>
NET LOSS	<u>\$ (76,543)</u>	<u>\$ (191,589)</u>	<u>\$ (174,633)</u>	<u>\$ (400,630)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING BASIC AND DILUTED				
	<u>20,281,082</u>	<u>20,281,082</u>	<u>20,281,082</u>	<u>20,281,082</u>

OMNITEK ENGINEERING CORP.

Condensed Balance Sheet

ASSETS

	June 30, 2018 <u>(unaudited)</u>	December 31, 2017 <u></u>
CURRENT ASSETS		
Cash	\$ 41,182	\$ 23,279
Accounts receivable, net	30,722	7,984
Accounts receivable - related parties	5,771	3,440
Inventory, net	1,443,217	1,554,656
Deposits	22,451	17,385
	<u>1,543,343</u>	<u>1,606,744</u>
FIXED ASSETS, net	<u>4,240</u>	<u>7,253</u>
OTHER ASSETS		
Other noncurrent assets	14,280	14,280
	<u>14,280</u>	<u>14,280</u>
TOTAL ASSETS	<u>\$ 1,561,863</u>	<u>\$ 1,628,277</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 350,255	\$ 358,032
Accrued management compensation	465,738	406,841
Accounts payable - related parties	134,617	114,321
Billings in excess of costs and estimated earnings	-	30,000
Notes payable – related parties	15,000	15,000
Convertible notes payable – related parties	15,000	15,000
Convertible notes payable, current portion	30,000	-
Customer deposits	152,027	212,410
	<u>1,162,637</u>	<u>1,151,604</u>
LONG-TERM LIABILITIES		
Convertible notes payable	\$ 70,000	\$ -
	<u>70,000</u>	<u>-</u>
TOTAL LIABILITIES	<u>1,232,637</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	11,879,549	11,852,363
Accumulated deficit	(19,961,734)	(19,787,101)
	<u>329,226</u>	<u>476,673</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,561,863</u>	<u>\$ 1,628,277</u>