

OMNITEK ENGINEERING CORPORATION REPORTS 2013 RESULTS

-- Post Year-End Sales and Diesel-to-Natural Gas Fleet Conversion Interest Strong--

VISTA, CA — March 31, 2014 — Omnitek Engineering Corporation

(OTCBB: OMTK) today reported results for its fourth quarter and year ended December 31, 2013 -- highlighted by a strong balance sheet to support an accelerating ramp up of diesel-to-natural gas conversion kit sales and increasing fleet interest subsequent to the end of 2013.

For the fourth quarter ended December 31, 2013, the company reported a net loss of \$526,480, or \$0.03 per share, compared with \$50,298, or \$0.00 per share, a year ago. Revenues for the same period were \$225,057 compared with \$650,473 a year earlier, reflecting the timing and volume of orders.

The company reported a net loss for the full year of \$1.6 million, or \$0.08 per share, compared with a net loss of \$1.4 million, or \$0.07 per share, a year earlier. Revenues for the full year were \$1.1 million compared with \$1.9 million in 2012.

Revenues were impacted by the appreciation of the U.S. Dollar against the local currencies in certain international markets, as well as delayed order shipments to OE customers due to model-year changeovers.

Results for the twelve months ended December 31, 2013 reflect non-cash expenses, including the value of options and warrants granted in the amount of \$314,467 and depreciation and amortization of \$22,206 compared with non-cash expenses for the value of options and warrants granted of \$653,856 and depreciation and amortization of \$6,369 a year earlier.

“We anticipate sales of our diesel-to-natural gas engine conversions kits and natural gas engines will greatly accelerate in the coming quarters of 2014 -- supported by expanding sales to our bus fleet customer in Mexico, announced last week, and the expected near-term commencement of kit shipments to a European customer. We also expect the near-term ramp up fleet sales in the United States, which will include utilization of our EPA-certified kits for the widely operated line of heavy-duty Navistar DT466E and DT530E engines,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corporation.

Operating expenses for 2013 decreased 13 percent to \$2,027,070 from \$2,333,924 in 2012. General and administrative expense for 2013 was \$1,711,440 compared with \$2,041,447 in 2012, primarily due to an approximate \$300,000 option and warrant expense reduction on a year-over-year basis and no private placement expenses being incurred in 2013. Salary and wages were higher in 2013 by approximately \$204,671, due primarily to additions to staff in preparation for the anticipated ramp up of domestic and international sales of conversion kits in 2014. Research and development outlays increased

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slightly to \$292,228 in 2013 compared with \$285,745 in 2012 to further support the development of additional diesel-to-natural gas engine conversion kits.

“With more than eight million heavy-duty trucks on the road in the United States and a repayment period of typically one to two years for our diesel-to-natural gas conversion kits, the opportunities are significant and the company is better positioned than at any time in its history to capitalize on the pent-up domestic demand for our technology. We look forward to adding other EPA and state-related certifications this year,” Funk emphasized.

About Omnitek Engineering Corporation

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 CORPORATION
Statement of Operations

	For the Three Months Ended December 31, <u>2013</u>	For the Three Months Ended December 31, <u>2012</u>	For the Twelve Months Ended December 31, <u>2013</u>	For the Twelve Months Ended December 31, <u>2012</u>
REVENUES	\$ 225,057	\$ 650,473	\$ 1,052,518	\$ 1,899,740
COST OF GOODS SOLD	<u>175,594</u>	<u>340,232</u>	<u>703,630</u>	<u>971,927</u>
GROSS MARGIN	49,463	310,240	348,888	927,813
OPERATING EXPENSES				
General and administrative	491,959	252,419	1,711,440	2,041,447
Research and development expense	85,106	119,675	292,228	285,745
Bad debt expense	-	363	1,196	363
Depreciation and amortization expense	<u>7,908</u>	<u>1,773</u>	<u>22,206</u>	<u>6,369</u>
Total Operating Expenses	<u>584,973</u>	<u>374,230</u>	<u>2,027,070</u>	<u>2,333,924</u>
LOSS FROM OPERATIONS	<u>(535,510)</u>	<u>(63,990)</u>	<u>(1,678,182)</u>	<u>(1,406,111)</u>
OTHER INCOME				
Interest expense	-	-	(13)	(490)
Interest income	<u>9,030</u>	<u>13,692</u>	<u>64,807</u>	<u>35,948</u>
TOTAL OTHER INCOME	<u>9,030</u>	<u>13,692</u>	<u>64,794</u>	<u>35,458</u>
LOSS BEFORE INCOME TAXES	(526,480)	(50,298)	(1,613,388)	(1,370,653)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
NET LOSS	<u>\$ (526,480)</u>	<u>\$ (50,298)</u>	<u>\$ (1,614,188)</u>	<u>\$ (1,371,453)</u>
BASIC AND DILUTED LOSS PER SHARE				
	<u>\$ (0.03)</u>	<u>\$ (0.00)</u>	<u>\$ (0.08)</u>	<u>\$ (0.07)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING BASIC AND DILUTED				
	<u>19,750,787</u>	<u>19,092,975</u>	<u>19,750,787</u>	<u>19,092,975</u>

OMNITEK ENGINEERING CORPORATION

Balance Sheet

ASSETS

	December 31, 2013	December 31, 2012
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CURRENT ASSETS		
Cash	\$ 1,057,836	\$ 3,192,761
Accounts receivable, net	38,261	120,547
Accounts receivable - related parties	33,369	26,455
Inventory, net	2,225,868	1,133,595
Prepaid expense	21,474	7,440
Deposits	62,973	331,760
Short term investments, net	917,248	--
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Total Current Assets	4,357,029	4,812,558
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FIXED ASSETS, net	118,460	14,560
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OTHER ASSETS		
Long-term investments, net	-	1,201,671
Intellectual property, net	2,872	5,218
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Total Other Assets	2,872	1,206,889
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TOTAL ASSETS	\$ 4,478,361	\$ 6,034,007
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LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 91,744	\$ 317,106
Accrued management compensation	189,466	264,717
Accounts payable - related parties	1,475	-
Customer deposits	222,072	184,109
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Total Current Liabilities	504,757	765,932
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Total Liabilities	504,757	765,932
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STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value 19,759,582 and 19,749,582 shares issued and outstanding, respectively	8,201,311	8,196,061
Additional paid-in capital	5,181,636	4,867,169
Accumulated deficit	(9,409,343)	(7,795,155)
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Total Stockholders' Equity	3,973,604	5,268,075
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 4,478,361	\$ 6,034,007
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