

OMNITEK ENGINEERING CORP. REPORTS 2015 RESULTS

-- Revenues Up 20.7 Percent for Year; Foreign Sales Expected to Drive Growth in 2016 --

VISTA, CA — March 30, 2016 — Omnitek Engineering Corp. (OTCQB: OMTK) today reported results for its fourth quarter and year ended December 31, 2015 – highlighted by year-over-year revenue growth, expanding global demand for the company’s diesel-to-natural gas engine conversion technology and a year-end backlog.

Revenues for the fourth quarter ended December 31, 2015 were \$313,493 compared with \$413,581 a year earlier, primarily due to the timing of orders. For the same period, the company reported a net loss of \$329,696, or \$0.02 per share, compared with \$409,156, or \$0.02 per share, a year ago.

Gross margin for the quarter was \$47,148 compared with \$200,811 a year earlier, primarily due to the impact of a one-time, non-cash reclassification of certain items from SG&A to Cost of Goods Sold in an aggregate amount of approximately \$56,000.

Revenues for the full year increased 20.7 percent to \$1.8 million from \$1.5 million in 2014, primarily due to increased diesel-to-natural gas engine conversion kit sales and filter sales to an OEM customer. The company reported a decreased net loss for the full year of \$1.0 million, or \$0.05 per share, compared with a net loss of \$1.8 million, or \$0.09 per share, a year earlier – primarily reflecting a reduction in general and administrative expenses and research and development expenditures.

Gross margin for the full year was \$761,144 compared with \$633,460 in 2014. Gross margin as a percentage of sales was 42 percent compared with 43 percent in the same period a year ago.

Results for the twelve months ended December 31, 2015 reflect non-cash expenses, including the value of options and warrants granted in the amount of \$225,097 and depreciation and amortization of \$30,628. For the twelve months ended December 31, 2014, non-cash expenses and income included the value of options and warrants granted for \$335,731 and depreciation and amortization of \$49,979.

“During the past year, we have seen a dramatic shift from domestic to international demand for engine conversions, primarily due to the precipitous drop in oil prices, though we still expect the domestic market will regain momentum later in the year. At this point, air pollution regulations and the price disparity between diesel and natural gas, mostly as a result of higher taxes on diesel fuel, is generating significant business opportunities for Omnitek in foreign markets, particularly in Mexico, Europe and Asia -- contributing to an order backlog at December 31, 2015 of approximately \$200,000, with expectations for a record year driven by the demand for engine conversion kits and/or converted engines

(more)

in export markets,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corp.

Funk added that the recently signed 200-nation “Paris Agreement on Climate Change” is expected to further accelerate demand for Omnitek’s technology and generate additional interest for natural gas in both foreign and domestic markets -- 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.

Funk indicated the company’s evaluation program for a large domestic fleet customer will be completed in the second quarter, with expectations for an expanded conversion program for this particular customer and additional opportunities from other fleets committed to reducing their global carbon footprint. As previously announced, the engine being developed is the Navistar VT365, as used in class 5 and 6 delivery trucks and school buses.

Funk commented further that four Class 8 trucks utilizing Omnitek’s EPA-certified Detroit Diesel Series 60 and Caterpillar C15 natural gas engines are currently being used for heavy-haul freight transportation and port operations in the Seattle area. The fuel-use and maintenance data from the operation of these four vehicles is being collected for a report to demonstrate the economic benefits of diesel-to-natural gas engine conversions of used trucks compared with purchasing new natural gas trucks.

At December 31, 2015, current liabilities totaled \$572,310 and current assets totaled \$2.3 million, resulting in positive working capital of approximately \$1.7 million and a current ratio of 4.0 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.
Statement of Operations

	For the Three Months Ended December 31 <u>2015</u>	For the Three Months Ended December 31 <u>2014</u>	For the Year Ended December 31 <u>2015</u>	For the Year Ended December 31 <u>2014</u>
REVENUES	\$ 313,493	\$ 413,581	\$ 1,793,556	\$ 1,485,818
COST OF GOODS SOLD	<u>266,345</u>	<u>212,770</u>	<u>1,032,412</u>	<u>852,358</u>
GROSS MARGIN	47,148	200,811	761,144	633,460
OPERATING EXPENSES				
General and administrative	310,852	433,914	1,443,951	1,870,533
Research and development expense	56,989	168,611	295,190	600,091
Depreciation and amortization expense	<u>7,578</u>	<u>8,178</u>	<u>30,628</u>	<u>49,976</u>
Total Operating Expenses	<u>375,419</u>	<u>610,703</u>	<u>1,769,769</u>	<u>2,520,600</u>
LOSS FROM OPERATIONS	<u>(328,271)</u>	<u>(409,892)</u>	<u>(1,008,625)</u>	<u>(1,887,140)</u>
OTHER INCOME (EXPENSE)				
Other income	275	725	4,209	13,646
Interest expense	(1,703)	-	(1,915)	-
Interest income	<u>3</u>	<u>11</u>	<u>24</u>	<u>45,467</u>
Total Other Income (Expense)	<u>(1,425)</u>	<u>736</u>	<u>2,318</u>	<u>59,113</u>
LOSS BEFORE INCOME TAXES	(329,696)	(409,156)	(1,006,307)	(1,828,027)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
NET LOSS	<u>\$ (329,696)</u>	<u>\$ (409,156)</u>	<u>\$ (1,007,107)</u>	<u>\$ (1,828,827)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.05)</u>	<u>\$ (0.09)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES BASIC AND DILUTED	<u>19,980,971</u>	<u>19,816,240</u>	<u>19,980,971</u>	<u>19,816,240</u>

OMNITEK ENGINEERING CORP.**Balance Sheet**

	<u>ASSETS</u>	
	December 31, 2015	December 31, 2014
CURRENT ASSETS		
Cash	\$ 105,846	\$ 498,782
Accounts receivable, net	30,835	56,059
Accounts receivable - related parties	17,257	15,092
Inventory, net	2,107,463	2,333,781
Prepaid expense	6,050	4,200
Deposits	19,745	92,779
Total Current Assets	<u>2,287,196</u>	<u>3,000,693</u>
FIXED ASSETS, net	<u>59,151</u>	<u>88,715</u>
OTHER ASSETS		
Intellectual property, net	281	1,345
Other noncurrent assets	14,280	14,280
Total Other Assets	<u>14,561</u>	<u>15,625</u>
TOTAL ASSETS	<u>\$ 2,360,908</u>	<u>\$ 3,105,033</u>
	<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 145,207	\$ 84,385
Accrued management compensation	189,163	102,096
Accounts payable - related parties	7,591	3,600
Customer deposits	230,349	345,844
Total Current Liabilities	<u>572,310</u>	<u>535,925</u>
Total Liabilities	<u>572,310</u>	<u>535,925</u>
STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value 19,981,082 and 19,979,582 shares issued and outstanding, respectively	8,291,411	8,289,911
Additional paid-in capital	11,346,599	11,121,502
Accumulated deficit	(17,849,412)	(16,842,305)
Total Stockholders' Equity	<u>1,788,598</u>	<u>2,569,108</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,360,908</u>	<u>\$ 3,105,033</u>