

OMNITEK ENGINEERING CORP

BALANCE SHEET

JUNE 30, 2008

ASSETS

CURRENT ASSETS:

Cash	102,415
Accounts Receivable - Net	124,970
Inventories - Net	1,103,606
Prepaid Expense	216,819

Total Current assets 1,547,811

PROPERTY – net 29,498

INTANGIBLE ASSETS ACQUIRED – net 297,008

DEFERRED TAX ASSET 462,354

TOTAL 2,336,671

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable	49,334
Accrued Interest	-
Accrued Payroll/Vacation	14,926
Accrued expenses	296,496
Customer Deposits	113,883

Total current liabilities 474,639

LONG-TERM LIABILITIES -

STOCKHOLDERS' EQUITY:

Common stock: 25,000,000 shares authorized; no par value; 16,006,398 shares issued and outstanding	2,320,476
Paid-in-capital	1,701,337
Accumulated deficit	(2,159,781)

Total stockholders' equity 1,862,032

TOTAL 2,336,671

Not Audited

Interim financial statements.

OMNITEK ENGINEERING CORP
STATEMENT OF OPERATIONS
2nd Quarter 2008

	Three Months Ended	
	6/30/2008	6/30/2007
NET SALES	961,102	205,799
COST OF GOODS SOLD	<u>638,569</u>	<u>163,530</u>
Gross margin	\$322,533	\$42,269
OPERATING EXPENSES:		
Sales & Marketing	27,566	0
General and Administrative	131,531	120,960
Research and Development	<u>41,449</u>	<u>0</u>
Total operating expenses	\$200,546	\$120,960
EARNINGS FROM OPERATIONS	\$121,987	(\$78,692)
OTHER INCOME (EXPENSES)	<u>(\$1,639)</u>	<u>38</u>
EARNINGS BEFORE INCOME TAX	\$120,348	(\$78,654)
INTEREST INCOME	1,690	1,688
STATE INCOME TAX		
NET INCOME	<u><u>\$122,038</u></u>	<u><u>(\$76,966)</u></u>

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OMNITEK ENGINEERING CORP
STATEMENT OF CASH FLOWS
2nd Quarter 2008

	Three Months Ended	
	6/30/2008	6/30/2007
OPERATING ACTIVITIES:		
Net Income	122,038	(349,931)
Adjustments to reconcile net income to net cash used for operating activities:		
Depreciation and amortization	34,341	34,125
Options		236,490
Changes in assets and liabilities:		
Accounts receivable	64,722	(75,005)
Inventories	(26,236)	53,286
Other assets	(133,171)	11,649
Accounts payable	(59,723)	(6,556)
Accrued Interest	0	1,003
Accrued Payroll/Vacation	6,630	1,957
Customer Deposits	66,208	14,976
Accrued Expenses	25,696	20,236
INVESTING ACTIVITIES Net cash provided by operating activities	<u>100,504</u>	<u>(57,769)</u>
Acquisition of property, patents, or trademarks	<u>(7,179)</u>	<u>(5,500)</u>
FINANCING ACTIVITIES Net cash used for investing activities	<u>(7,179)</u>	<u>(5,500)</u>
Short-Term Loan	(15,000)	4,737
Sale of Common Stock	0	84,878
Net cash provided by financing activities	<u>(15,000)</u>	89,615
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	78,325	26,346
CASH AND CASH EQUIVALENTS, BEGINNING OF MONTH	<u>24,090</u>	<u>29,194</u>
CASH AND CASH EQUIVALENTS, END OF MONTH	<u><u>102,415</u></u>	<u><u>55,540</u></u>

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Interim financial statements.

Omnitek Engineering Corp
Reconciliation of EBITDA to Net Loss
2nd Quarter 2008

	Three months ended	
	6/30/08	6/30/2007
Reported Net Loss	122,038	(76,966)
Depreciation & Amortization	34,341	34,125
Interest expense-net	(1,530)	50
Other expense (income) -net	1,639	0
Provision for income tax		38
EBITDA	156,488	(42,752)