

OMNITEK ENGINEERING CORP.

Balance Sheets

ASSETS

	September 30 2008 <u>(unaudited)</u>	December 31, 2007 <u></u>
CURRENT ASSETS		
Cash	\$ 42,399	\$ 23,442
Accounts receivable	228,424	71,868
Inventory	1,325,301	1,166,907
Deposits	407,634	70,130
Deferred tax asset	462,354	462,354
	<u>2,466,112</u>	<u>1,794,701</u>
FIXED ASSETS, net	<u>26,186</u>	<u>33,127</u>
OTHER ASSETS		
Prepaid expense	2,500	3,250
Intellectual property, net	267,269	354,789
	<u>269,769</u>	<u>358,039</u>
TOTAL ASSETS	<u><u>\$ 2,762,067</u></u>	<u><u>\$ 2,185,867</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 248,419	\$ 76,070
Accrued expenses-related parties	305,715	241,690
Customer deposits	173,948	79,603
Shareholder loans	-	15,000
	<u>728,082</u>	<u>412,363</u>
STOCKHOLDERS' EQUITY		
Common stock, 25,000,000 shares authorized no par value		
16,006,398 shares issued and outstanding	2,320,476	2,320,476
Additional paid-in capital	2,121,326	1,701,337
Accumulated deficit	(2,407,817)	(2,248,309)
	<u>2,033,985</u>	<u>1,773,504</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u><u>\$ 2,762,067</u></u>	<u><u>\$ 2,185,867</u></u>

The accompanying notes are an integral part of these financial statements.

OMNITEK ENGINEERING CORP.

Statements of Operations

(unaudited)

	For the Three Months Ended September 30, <u>2008</u>	For the Three Months Ended September 30, <u>2007</u>	For the Nine Months Ended September 30, <u>2008</u>	For the Nine Months Ended September 30, <u>2007</u>
REVENUES	\$ 1,175,171	\$ 334,064	\$ 2,673,449	\$ 678,446
COST OF GOODS SOLD	<u>736,534</u>	<u>200,301</u>	<u>1,727,038</u>	<u>461,639</u>
GROSS MARGIN	438,637	133,763	946,411	216,807
OPERATING EXPENSES				
General and administrative	298,408	91,016	844,033	288,935
Bad debt expense	1,815	-	5,191	-
Research and development expense	73,946	35,062	158,501	324,235
Depreciation and amortization expense	<u>34,572</u>	<u>34,230</u>	<u>103,161</u>	<u>102,428</u>
Total Operating Expenses	<u>408,741</u>	<u>160,307</u>	<u>1,110,886</u>	<u>715,598</u>
INCOME (LOSS) FROM OPERATIONS	<u>29,896</u>	<u>(26,545)</u>	<u>(164,475)</u>	<u>(498,791)</u>
OTHER INCOME (EXPENSE)				
Interest expense	-	(1,580)	(160)	(3,481)
Interest income	<u>1,745</u>	<u>1,368</u>	<u>5,127</u>	<u>3,631</u>
TOTAL OTHER INCOME (EXPENSE)	<u>1,745</u>	<u>(212)</u>	<u>4,967</u>	<u>150</u>
NET INCOME (LOSS) BEFORE INCOME TAX	31,641	(26,757)	(159,508)	(498,641)
INCOME TAX EXPENSE (BENEFIT)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	<u>\$ 31,641</u>	<u>\$ (26,757)</u>	<u>\$ (159,508)</u>	<u>\$ (498,641)</u>
BASIC INCOME (LOSS) PER SHARE	<u>\$ 0.00</u>	<u>\$ (0.00)</u>	<u>\$ (0.01)</u>	<u>\$ (0.03)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>16,006,398</u>	<u>15,736,152</u>	<u>16,006,398</u>	<u>15,736,152</u>

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OMNITEK ENGINEERING CORP.
Statements of Stockholders' Equity

	<u>Common Stock</u>		<u>Additional Paid-In Capital</u>	<u>Accumulated Deficit</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>			
Balance, December 31, 2006	15,736,152	\$ 2,141,697	\$ 474,409	\$ (919,737)	\$ 1,696,369
Common stock issued for cash	109,818	103,779	-	-	103,779
Common stock issued for conversion of note payable	160,428	75,000	-	-	75,000
Value of options issued for services	-	-	1,225,728	-	1,225,728
Contributed interest	-	-	1,200	-	1,200
Net loss for the year ended December 31, 2007	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,328,572)</u>	<u>(1,328,572)</u>
Balance, December 31, 2007	16,006,398	2,320,476	1,701,337	(2,248,309)	1,773,504
Value of options and warrants issued for services	-	-	419,989	-	419,989
Net loss for the nine months ended September 30, 2008 (unaudited)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(159,508)</u>	<u>(159,508)</u>
Balance, September 30, 2008 (unaudited)	<u>16,006,398</u>	<u>\$ 2,320,476</u>	<u>\$ 2,121,326</u>	<u>\$ (2,407,817)</u>	<u>\$ 2,033,985</u>

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OMNITEK ENGINEERING CORP.

Statements of Cash Flows
(unaudited)

	For the Nine Months Ended September 30, <u>2008</u>	For the Nine Months Ended September 30, <u>2007</u>
OPERATING ACTIVITIES		
Net income (loss)	\$ (159,508)	\$ (498,641)
Adjustments to reconcile net loss to net cash used by operating activities:		
Depreciation and amortization expense	103,161	102,428
Value of options and warrants issued for services	419,989	581,421
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(156,554)	25,074
(Increase) decrease in deposits and prepaid expenses	(336,753)	(394,425)
(Increase) decrease in inventory	(158,394)	60,431
Increase (decrease) in accounts payable	172,349	(95,149)
Increase (decrease) in accrued expenses-related parties	64,025	81,903
Increase (decrease) in customer deposits	94,345	5,775
	<u>42,660</u>	<u>(131,183)</u>
Net Cash Provided (Used by) Operating Activities		
INVESTING ACTIVITIES		
Purchase of intellectual property	(2,071)	(4,999)
Purchase of property and equipment	<u>(6,632)</u>	<u>-</u>
	<u>(8,703)</u>	<u>(4,999)</u>
Net Cash Used in Investing Activities		
FINANCING ACTIVITIES		
Proceeds from sale of stock		103,780
Proceeds from note payable	-	65,000
Repayment of note payable	<u>(15,000)</u>	<u>(5,000)</u>
	<u>(15,000)</u>	<u>163,780</u>
Net Cash Provided by Financing Activities		
NET INCREASE IN CASH	18,957	27,598
CASH AT BEGINNING OF PERIOD	<u>23,442</u>	<u>17,861</u>
CASH AT END OF PERIOD	<u>\$ 42,399</u>	<u>\$ 45,459</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	\$ -	\$ -
Income Taxes	\$ -	\$ -

The accompanying notes are an integral part of these financial statements.

OMNITEK ENGINEERING CORP.Statements of Earnings before Interest, Taxes, Depreciation and Amortization
(unaudited)

	For the Three Months Ended September 30, <u>2008</u>	For the Three Months Ended September 30, <u>2007</u>	For the Nine Months Ended September 30, <u>2008</u>	For the Nine Months Ended September 30, <u>2007</u>
NET INCOME (LOSS)	\$ 31,641	\$ (26,757)	\$ (159,508)	\$ (498,641)
Income tax expense	-	-	-	-
Interest expense	-	1,580	160	3,481
Depreciation and amortization expense	<u>34,572</u>	<u>34,230</u>	<u>103,161</u>	<u>102,428</u>
Total Reconciling Expenses	<u>34,572</u>	<u>35,810</u>	<u>103,321</u>	<u>105,909</u>
NET EARNINGS (LOSS) BEFORE INTEREST TAXES, DEPRECIATION AND AMORTIZATIO	<u>\$ 66,213</u>	<u>\$ 9,053</u>	<u>\$ (56,187)</u>	<u>\$ (392,732)</u>