



Q1 2009 Quarterly Report

Omnitek Engineering Corp.

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About Omnitek

Omnitek Engineering, Corp. (“Omnitek” or the “Company”) develops and sells new natural gas engines, as well as proprietary diesel-to-natural gas conversion systems. The Company further develops advanced engine technologies and emissions control systems for engines burning natural gas, liquefied petroleum gas and hydrogen. The Company's natural gas engines and diesel-to-natural gas conversion technology, have established Omnitek as a leader in their industry.

Omnitek offers a total system approach and is supplying alternative energy solutions that are sustainable and affordable and designed to reduce emissions combat global warming.

ITEM 1. THE COMPANY

We were incorporated as Omnitek Engineering Corp. in California on October 10, 2001, and were a spin-off from Nology Engineering, Inc., a leader in the automotive aftermarket ignition parts business and manufacturer of the revolutionary and patented HotWires. On April 17, 2008, the Company filed Amended and Restated Articles of Incorporation to increase the authorized capital stock from 25,000,000 shares of common stock to 150,000,000 shares, consisting of 125,000,000 shares of common stock, no par value and 25,000,000 shares of preferred stock, no par value. Our principal executive offices and related engineering and assembly facilities are located at 1945 S. Rancho Santa Fe Road, San Marcos, California, 92078, where we currently occupy 6,000 square feet of industrial space. Our telephone number is (760) 591-0089, and our facsimile number there is (760) 591-0880. The Company operates a website at www.omnitekcorp.com, and any investor relations questions can be addressed to our President, Mr. Werner Funk.

ITEM 2. SHARES OUTSTANDING

OMNITEK ENGINEERING CORP. Statements of Stockholders' Equity

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-In Capital	Deficit	Stockholders' Equity
Balance, December 31, 2007	16,006,398	\$ 2,320,476	\$ 1,701,337	\$ (2,248,309)	\$ 1,850,639
Value of options issued for services			511,611		511,611
Value of warrants issued for services			721,000		721,000
Net loss for year ended December 31, 2008	-	-	-	(1,220,701)	(1,220,701)
Balance, December 31, 2008	16,006,398	2,320,476	2,933,948	(3,469,010)	3,083,250
Value of options and warrants issued for services	-	-	64,574	-	64,574
Net loss for the three months ended March 31, 2009 (unaudited)	-	-	-	(156,891)	(156,891)
Balance, March 31, 2008 (unaudited)	<u>16,006,398</u>	<u>\$ 2,320,476</u>	<u>\$ 2,998,522</u>	<u>\$ (3,625,901)</u>	<u>\$ 2,990,934</u>

ITEM 3. INTERIM FINANCIAL STATEMENTS

The Company's Interim Financial Statements for the Period Ending March 31, 2009, are attached at the end of this quarterly update.

ITEM 4. MANAGEMENT'S DISCUSSION AND ANALYSIS OF PLAN OF OPERATION

For operational success we will need to focus on timely, cost-effective execution in the following areas:

- Product Supply - having enough product available in inventory to meet our customer's demands;
- Product Development - predicting and identifying customer and emission requirements and translating them into new products on a timely basis;
- Sales and Customer Service - using manufacturers' representatives and system integrators to enable us to deploy technically-skilled sales and service people; and,
- Technical Service - providing training and support to our system integrators and sales force to ensure that the installations are properly executed.

The Company presently markets its products worldwide to engine manufacturers, system integrators, fleet operators, engine conversion companies and end-users.

Scope of Market

Diesel engines have been the backbone of the transportation industry. Valued for their power, fuel economy and durability, diesel powered trucks and buses are used worldwide, however, they are heavy polluters and significantly contribute to global warming. As the threat of global warming and air pollution remains omnipresent, the search for an alternative fuel becomes increasingly important. Natural gas has emerged as a perfect solution to these challenges. Readily available in many countries from indigenous sources, natural gas is inexpensive and clean burning. In some countries, the price of CNG is 1/3rd the price of diesel fuel.

The Company's technology is currently being used successfully to convert heavy-duty diesel engines to natural gas in the USA, India, Bangladesh, Thailand, Malaysia, China, Mexico, Egypt, Bulgaria, Peru and Myanmar, just to name a few. The Company's advanced engine management system has been successfully adapted to work with many different engine designs, and can meet both current and future emissions standards.

Q1/2009 Updates and Forecasts

Because of the sudden drop in oil prices late in 2008, many shipments to existing customers in Southeast Asia were delayed or canceled.

Notwithstanding the results for the 1st Quarter, which were impacted by the timing of customer order shipments rather than a precipitous decline in global demand for converting high-polluting diesel powered engines to operate on natural gas, we anticipate strong sales for the balance of 2009.

We recently announced agreements concerning conversion orders for fleets in Peru and Bulgaria, with both projects commencing in May. These two agreements will add significant sales for the remainder of the year.

A project to convert diesel powered irrigation pumps in central California is expected to commence in the 2nd Quarter.

- Omnitek appoints G&W Group, S.A. as the company's exclusive agent in Peru and announces an initial order valued at approximately \$4.5 million for its diesel-to-natural gas conversion systems. The conversion order is for a fleet of delivery vehicles and the conversion project is expected to be completed over a two-year period.
- Omnitek appoints Metan Market, Ltd. as the company's exclusive agent in Bulgaria and announces an initial order valued at approximately \$600,000 for diesel-to-natural gas conversion systems.

- The company signs a similar exclusive agent agreement with Ruston Endüstriyel, based in Ankara, Turkey.
- Our sales to Thailand have slowed down.
- Early indications show that the EPA might be ready to ease regulations on natural gas conversions in the USA. We are watching the forthcoming new EPA rulings with great interest.

ITEM 5. LEGAL PROCEEDINGS

The Company is not presently a party to any litigation, claim or assessment against it, and is unaware of any unasserted claim or assessment which will have a material effect on the financial position or future operations of the Company. No federal, state or local governmental agency is presently contemplating any proceeding against the Company. No director, executive officer or affiliate of the Company or owner of record or beneficially of more than five percent of the Company's common stock is a party adverse to the Company or has a material interest adverse to the Company in any proceeding.

ITEM 6. DEFAULTS UNDER SENIOR SECURITIES

Omnitek is not in default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the Company to make payments. The Company has not and is not in the process of filing bankruptcy, receivership or any similar proceeding. The Company has not had an increase of 10% of the same class of outstanding equity securities in the last three years with the exception of the two forward splits that took place in 2007, as discussed further in item 6 below.

The Company's securities have not been de-listed in the last three years and are not in the process of being de-listed by the Securities & Exchange Commission ("SEC") or FINRA. The issuer's primary SIC Code is 3694. The Company is not classified as a shell Company pursuant to Rule 405 of the Securities Act.

ITEM 7. OTHER INFORMATION

The Company is authorized to issue 125,000,000 shares of preferred stock, no par value however as of this date there are no preferred shares issued or outstanding.

The Company has had two forward splits of its common stock in the last three years. The two forward splits of the Company's common stock consisted of a 2 for 1 forward split effective as of March 31, 2007 and an additional 2 for 1 forward split effective as of November 25, 2007. The Company in the last three years has not had any other stock splits, stock dividends, recapitalizations, mergers, acquisitions, spin-offs or reorganizations, nor are any pending or anticipated, other than stated above.

Transfer Agent

The Company utilizes the services of Colonial Stock Transfer Co., Inc. located at 66 Exchange Place, Salt Lake City, UT 84111. Colonial Stock Transfer Co.'s telephone and facsimile are: Telephone: (801) 355-5740, Facsimile: (801) 355-6505. The U.S. Securities and Exchange Commission is the appropriate regulatory authority and Colonial Stock Transfer Co., Inc. is registered under the Exchange Act.

Payment of dividends on the Common Stock and Preferred Stock is within the discretion of the Board of Directors, is subject to state law, and will depend upon the Company's earnings, if any, its capital requirements, financial condition and other relevant factors.

ITEM 8. CERTIFICATION

I, Werner Funk, certify that;

- (1) I have reviewed this annual disclosure statement of Omnitek Engineering Corp.
- (2) Based upon my knowledge, this annual disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual disclosure statement; and
- (3) Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this annual disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer as of, and for, the periods presented in this annual disclosure statement.

Omnitek Engineering Corp.



Dated: March 31, 2009

By: Werner Funk
Its: President and CEO

ITEM 9. EXHIBITS

- NOTES TO THE FINANCIAL STATEMENTS
- CERTIFICATE
- BALANCE SHEETS
- ASSETS
- LIABILITIES AND STOCKHOLDERS' EQUITY
- STATEMENTS OF OPERATION
- LIABILITIES AND STOCKHOLDERS' EQUITY

OMNITEK ENGINEERING CORP.

(A Development Stage Company)

Notes to the Financial Statements

NOTE 1 - CONDENSED FINANCIAL STATEMENTS

The accompanying financial statements have been prepared by the Company without audit. In the opinion of management, all adjustments (which include only normal recurring adjustments) necessary to present fairly the financial position, results of operations and cash flows at March 31, 2009 and for all periods presented have been made.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. It is suggested that these condensed financial statements be read in conjunction with the financial statements and notes thereto included in the Company's December 31, 2008 audited financial statements. The results of operations for the periods ended March 31, 200 and 2008 are not necessarily indicative of the operating results for the full years.

Recent Accounting Pronouncements

In May 2008, the Financial Accounting Standards Board ("FASB") issued SFAS No. 163, *"Accounting for Financial Guarantee Insurance Contracts-and interpretation of FASB Statement No. 60"*. SFAS No. 163 clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement of premium revenue and claims liabilities. This statement also requires expanded disclosures about financial guarantee insurance contracts. SFAS No. 163 is effective for fiscal years beginning on or after December 15, 2008, and interim periods within those years. SFAS No. 163 has no effect on the Company's financial position, statements of operations, or cash flows at this time.

In May 2008, the Financial Accounting Standards Board ("FASB") issued SFAS No. 162, *"The Hierarchy of Generally Accepted Accounting Principles"*. SFAS No. 162 sets forth the level of authority to a given accounting pronouncement or document by category. Where there might be conflicting guidance between two categories, the more authoritative category will prevail. SFAS No. 162 will become effective 60 days after the SEC approves the PCAOB's amendments to AU Section 411 of the AICPA Professional Standards. SFAS No. 162 has no effect on the Company's financial position, statements of operations, or cash flows at this time.

In March 2008, the Financial Accounting Standards Board, or FASB, issued SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities—an amendment of FASB Statement No. 133*. This standard requires companies to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for under Statement 133 and its related interpretations, and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This Statement is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. The Company has not yet adopted the provisions of SFAS No. 161, but does not expect it to have a material impact on its consolidated financial position, results of operations or cash flows.

OMNITEK ENGINEERING CORP.

(A Development Stage Company)

Notes to the Financial Statements

NOTE 1 - CONDENSED FINANCIAL STATEMENTS (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Inventory

The Company's inventory is comprised of finished goods and raw materials and is located in San Marcos, California and Bayswater, Australia. Inventory is stated at the lower of cost (first-in, first-out) or net realizable value.

As of March 31, 2009 and December 31, 2008 inventory consisted of the following:

	<u>2009</u>	<u>2008</u>
San Marcos, CA	\$ 1,663,090	\$1,188,199
Bayswater, Australia	0	6,341
Allowance for obsolete Inventory	<u>(223,803)</u>	<u>(223,803)</u>
Total	<u>\$ 1,439,287</u>	<u>\$ 1,439,092</u>

OMNITEK ENGINEERING CORP.

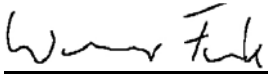
(A Development Stage Company)

Notes to the Financial Statements

CERTIFICATE

The above financial statements for the period ended March 31, 2009, and the notes thereto, present fairly, in all material respects, the financial position of the issuer and the results of its operations and cash flows for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied.

Dated: May 14, 2009



Werner Funk, CEO
Omnitek Engineering Corp.

OMNITEK ENGINEERING CORP.

Balance Sheets

ASSETS

	March 31, 2009 <u>(unaudited)</u>	March 31, 2008 <u>(unaudited)</u>
CURRENT ASSETS		
Cash	\$ 9,458	\$ 24,089
Accounts receivable	60,322	189,692
Inventory	1,439,288	1,077,370
Deposits	271,083	80,398
Deferred tax asset	403,324	462,354
	<u>2,183,475</u>	<u>1,833,903</u>
Total Current Assets		
	<u>2,183,475</u>	<u>1,833,903</u>
FIXED ASSETS, net	<u>21,792</u>	<u>29,910</u>
OTHER ASSETS		
Prepaid expense	2,500	3,250
Intellectual property, net	221,270	323,758
	<u>223,770</u>	<u>327,008</u>
Total Current Assets		
	<u>223,770</u>	<u>327,008</u>
TOTAL ASSETS	<u>\$ 2,429,036</u>	<u>\$ 2,190,821</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 326,297	\$ 118,206
Accrued expenses-related parties	352,976	269,946
Customer deposits	56,667	47,675
Shareholder loans	-	15,000
	<u>735,940</u>	<u>450,827</u>
Total Current Liabilities		
	<u>735,940</u>	<u>450,827</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	2,998,522	1,840,702
Accumulated deficit	(3,625,902)	(2,421,184)
	<u>1,693,096</u>	<u>1,739,994</u>
Total Stockholders' Equity		
	<u>1,693,096</u>	<u>1,739,994</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,429,036</u>	<u>\$ 2,190,821</u>

OMNITEK ENGINEERING CORP.Statements of Operations
(unaudited)

	For the Three Months Ended March 31, <u>2009</u>	For the Three Months Ended March 31, <u>2008</u>
REVENUES	\$ 211,357	\$ 537,176
COST OF GOODS SOLD	<u>130,031</u>	<u>351,935</u>
GROSS MARGIN	81,327	185,241
OPERATING EXPENSES		
General and administrative	226,257	292,249
Bad debt expense	(4,089)	1,688
Research and development expense	62,718	31,623
Depreciation and amortization expense	<u>24,022</u>	<u>34,248</u>
Total Operating Expenses	<u>308,909</u>	<u>359,808</u>
INCOME (LOSS) FROM OPERATIONS	<u>(227,582)</u>	<u>(174,567)</u>
OTHER INCOME (EXPENSE)		
Extinguishment of Liability	69,022	
Interest expense	-	-
Interest income	<u>1,670</u>	<u>1,692</u>
TOTAL OTHER INCOME (EXPENSE)	<u>70,692</u>	<u>1,692</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	(156,890)	(172,875)
INCOME TAX EXPENSE (BENEFIT)	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	<u>\$ (156,890)</u>	<u>\$ (172,875)</u>
BASIC INCOME (LOSS) PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>16,006,398</u>	<u>16,006,398</u>

OMNITEK ENGINEERING CORP.
Statements of Stockholders' Equity

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance, December 31, 2007	16,006,398	\$ 2,320,476	\$ 1,701,337	\$ (2,248,309)	\$ 1,850,639
Value of options issued for services	-	-	511,611	-	511,611
Value of warrants issued for services			721,000		721,000
Net loss for year ended December 31, 2008	-	-	-	(1,220,701)	(1,220,701)
Balance, December 31, 2008	16,006,398	2,320,476	2,933,948	(3,469,010)	3,083,250
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Net loss for the three months ended March 31, 2009 (unaudited)	-	-	-	(156,891)	(156,891)
Balance, March 31, 2008 (unaudited)	<u>16,006,398</u>	<u>\$ 2,320,476</u>	<u>\$ 2,998,522</u>	<u>\$ (3,625,901)</u>	<u>\$ 2,990,934</u>

OMNITEK ENGINEERING CORP.Statements of Cash Flows
(unaudited)

	For the Three Months Ended March 31, <u>2009</u>	For the Three Months Ended March 31, <u>2008</u>
OPERATING ACTIVITIES		
Net income (loss)	\$ (156,890)	\$ (172,875)
Adjustments to reconcile net loss to net cash used by operating activities:		
Write off of intellectual property	897	-
Depreciation and amortization expense	24,023	34,248
Value of options and warrants issued for services	64,574	139,365
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(27,720)	(117,824)
(Increase) decrease in deposits	(60,868)	(10,268)
(Increase) decrease in inventory	(196)	89,537
Increase (decrease) in accounts payable	105,345	42,136
Increase (decrease) in accrued expenses-related parties	53,992	28,256
Increase (decrease) in customer deposits	(38,695)	(31,928)
	<u>(35,538)</u>	<u>647</u>
Net Cash Provided by (Used in) Operating Activities		
	<u>(35,538)</u>	<u>647</u>
INVESTING ACTIVITIES		
Purchase of intellectual property	-	-
Purchase of property and equipment	(1,475)	-
	<u>(1,475)</u>	<u>-</u>
Net Cash Used in Investing Activities		
	<u>(1,475)</u>	<u>-</u>
FINANCING ACTIVITIES		
Proceeds from note payable	-	-
Proceeds from stock issuances	-	-
	<u>-</u>	<u>-</u>
Net Cash Provided by Financing Activities		
	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	(37,013)	647
CASH AT BEGINNING OF PERIOD	46,471	23,442
	<u>46,471</u>	<u>23,442</u>
CASH AT END OF PERIOD	<u>\$ 9,458</u>	<u>\$ 24,089</u>
	<u>\$ 9,458</u>	<u>\$ 24,089</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	\$ -	\$ 263
Income Taxes	\$ 800	\$ -