



Q3 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, affordable and reduce emissions to combat global warming.

ITEM 1. THE COMPANY

The Company was incorporated as Omnitek Engineering Corp. in California on October 10, 2001, and was 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. The 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. The telephone number is (760) 591-0089, and the facsimile number is (760) 591-0880. The Company operates a website at www.omnitekcorp.com, and any investor relations questions can be addressed to the 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)	\$ 1,773,504
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)	1,785,414
Value of options and warrants issued for services	-	-	199,079	-	199,079
Net loss for the nine months ended September 30, 2009 (unaudited)	-	-	-	(423,238)	(423,238)
Balance, September 30, 2009 (unaudited)	16,006,398	\$ 2,320,476	\$ 3,133,027	\$ (3,892,248)	\$ 1,561,255

ITEM 3. INTERIM FINANCIAL STATEMENTS

The Company's Interim Financial Statements for the Period Ending September 30, 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 customers' 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 has become 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 one-third 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.

O3/2009 Updates and Forecasts

In the second quarter we shipped the first order of conversion kits, as well as six new Omnitek natural gas engines, to our distributor in Peru. This marked the commencement of the large-scale conversion project announced earlier. Shipments to Peru continue and are scheduled to increase as more workshops are certified to perform conversions.

In August, we announced the formation of Omnitek Peru S.A.C., a joint venture with local partners to convert diesel engines, as well as provide services to re-power diesel trucks and buses utilizing Omnitek's natural gas engines. Omnitek Peru S.A.C., has plans to operate several conversion centers throughout the country.

In September, Omnitek Peru made history by driving a natural gas powered heavy-duty commercial truck that was converted from diesel to natural gas using the Omnitek technology to a record altitude of 4,814 meters (15,800 feet) over the Ticlio Pass high in the Peruvian Andes, the highest paved road in the world.

Shipments of conversion kits to Bulgaria, which commenced in the second quarter, continued in the third quarter and are scheduled to increase.

In June we entered into an initial agreement with TEDOM, an engine and bus manufacturer in the Czech Republic. Omnitek will supply the engine management systems for the TEDOM natural gas engine. One such engine already passed the stringent EURO5 emissions certification. Another engine is being prepared for the even stricter EURO6 Norm.

A project to convert diesel powered irrigation pumps in central California commenced in the second quarter. The first engine was operational in June and was just awaiting final certification by the emissions regulating authorities. In August a study was conducted by The Southern California Gas Co., a Sempra Energy Utility, to determine the effectiveness of the company's technology for the conversion of a turbocharged Cummins GTA855 irrigation engine. The evaluation recorded a 20-25 percent improvement in fuel savings and reduced emissions well within compliance of San Joaquin Valley Air Pollution Control District Rule 4702. Aeros Environmental, Inc. performed the official Compliance Source Test for certification. We are currently negotiating with service providers to install the technology on irrigation engines in central California and expect substantial orders in the coming month.

The Omnitek high-pressure natural gas filter is now original equipment (OE) on two vehicles manufactured by TATA in India.

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. To the knowledge 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 7 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 25,000,000 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, other than stated above, 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 84101. 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.

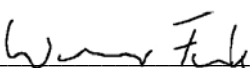
ITEM 8. CERTIFICATION

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: October 15, 2009

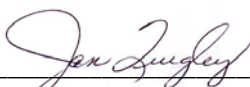

By: Werner Funk
Its: President and CEO

I, Jan Quigley, 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: October 15, 2009


By: Jan Quigley
Its: CFO

ITEM 9. EXHIBITS

NOTES TO THE FINANCIAL STATEMENTS
BALANCE SHEET (UNAUDITED)
STATEMENT OF OPERATIONS (UNAUDITED)
STOCKHOLDERS' EQUITY (UNAUDITED)
CASH FLOW STATEMENT (UNAUDITED)

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 September 30, 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 September 30, 2009 and 2008 are not necessarily indicative of the operating results for the full years.

Recent Accounting Pronouncements

In May 2009, the Financial Accounting Standards Board ("FASB") issued SFAS No. 165, "*Disclosure of Subsequent Events*". SFAS No. 165 applies to the accounting for and disclosure of subsequent events. This statement SFAS No. 165 is effective for fiscal years beginning on or after June 15, 2009, and interim periods within those years. SFAS No. 165 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. 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.

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.

NOTE 1 - CONDENSED FINANCIAL STATEMENTS (Continued)

Inventory

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

As of September 30, 2009 and December 31, 2008 inventory consisted of the following:

	<u>2009</u>	<u>2008</u>
San Marcos, CA	\$ 1,490,193	\$1,656,554
Bayswater, Australia	0	6,341
Allowance for obsolete Inventory	<u>(223,803)</u>	<u>(223,803)</u>
Total	<u>\$ 1,366,323</u>	<u>\$ 1,439,092</u>

OMNITEK ENGINEERING CORP.

Balance Sheets

ASSETS

	30-Sep 2009	31-Dec 2008
	(unaudited)	(unaudited)
CURRENT ASSETS		
Cash	\$ 10,439	\$ 46,471
Accounts receivable - net	130,133	32,602
Inventory - net	1,266,390	1,439,092
Deposits	198,510	210,215
Deferred tax asset	403,324	403,324
	<hr/>	<hr/>
Total Current Assets	2,008,796	2,131,704
	<hr/>	<hr/>
FIXED ASSETS, net	14,986	23,666
	<hr/>	<hr/>
OTHER ASSETS		
Prepaid expense	2,500	2,500
Intellectual property, net	179,307	242,842
	<hr/>	<hr/>
Total Other Assets	181,807	245,342
	<hr/>	<hr/>
TOTAL ASSETS	<u>\$ 2,205,589</u>	<u>\$ 2,400,712</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 284,858	\$ 220,952
Accrued expenses-related parties	294,176	298,984
Customer deposits	55,300	95,362
Shareholder loans	10,000	-
	<hr/>	<hr/>
Total Current Liabilities	644,334	615,298
	<hr/>	<hr/>
STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value		
16,006,398 shares issued and outstanding	2,320,476	2,320,476
Additional paid-in capital	3,133,027	2,933,948
Accumulated deficit	(3,892,248)	(3,469,010)
	<hr/>	<hr/>
Total Stockholders' Equity	1,561,255	1,785,414
	<hr/>	<hr/>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,205,589</u>	<u>\$ 2,400,712</u>

OMNITEK ENGINEERING CORP.Statements of Operations
(unaudited)

	For the Three Months Ended Sep 30 <u>2009</u>	For the Three Months Ended Sep 08 <u>2008</u>	For the Nine Months Ended Sep 09 <u>2009</u>	For the Nine Months Ended Sep 09 <u>2008</u>
REVENUES	\$ 321,194	\$ 1,175,171	\$ 886,248	\$ 2,673,449
COST OF GOODS SOLD	<u>154,751</u>	<u>736,534</u>	<u>485,801</u>	<u>1,727,038</u>
GROSS MARGIN	166,443	438,637	400,447	946,411
OPERATING EXPENSES				
General and administrative	205,627	298,408	631,515	844,033
Bad debt expense	1,706	1,815	764	5,191
Research and development expense	63,673	73,946	190,170	158,501
Depreciation and amortization expense	<u>24,384</u>	<u>34,572</u>	<u>72,791</u>	<u>103,161</u>
Total Operating Expenses	<u>295,390</u>	<u>408,741</u>	<u>895,240</u>	<u>1,110,886</u>
INCOME (LOSS) FROM OPERATIONS	<u>(128,948)</u>	<u>29,896</u>	<u>(494,793)</u>	<u>(164,475)</u>
OTHER INCOME (EXPENSE)				
Extinguishment of Liability	-	-	69,022	-
Interest expense	(1,409)	-	(2,533)	(160)
Interest income	<u>1,707</u>	<u>1,745</u>	<u>5,065</u>	<u>5,127</u>
TOTAL OTHER INCOME (EXPENSE)	<u>298</u>	<u>1,745</u>	<u>71,555</u>	<u>4,967</u>
NET INCOME (LOSS) BEFORE INCOME TAXES	(128,650)	31,641	(423,238)	(159,508)
INCOME TAX EXPENSE (BENEFIT)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET INCOME (LOSS)	<u>\$ (128,650)</u>	<u>\$ 31,641</u>	<u>\$ (423,238)</u>	<u>\$ (159,508)</u>
BASIC INCOME (LOSS) PER SHARE				
	<u>\$ (0.01)</u>	<u>\$ 0.00</u>	<u>\$ (0.03)</u>	<u>\$ (0.01)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING				
	<u>16,006,398</u>	<u>16,006,398</u>	<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)	\$ 1,773,504
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)	1,785,414
Value of options and warrants issued for services	-	-	199,079	-	199,079
Net loss for the nine months ended Sep 30, 2009 (unaudited)	-	-	-	(423,238)	(423,238)
Balance, Sep 30, 2009 (unaudited)	<u>16,006,398</u>	<u>\$ 2,320,476</u>	<u>\$ 3,133,027</u>	<u>\$ (3,892,248)</u>	<u>\$ 1,561,255</u>

OMNITEK ENGINEERING CORP.Statements of Cash Flows
(unaudited)

	For the Nine Months Ended Sep 30 <u>2009</u>	For the Nine Months Ended Sep 30 <u>2008</u>
OPERATING ACTIVITIES		
Net income (loss)	\$ (423,238)	\$ (159,508)
Adjustments to reconcile net loss to net cash used by operating activities:		
Write off of intellectual property	897	-
Depreciation and amortization expense	72,791	103,161
Value of options and warrants issued for services	199,079	419,989
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(104,574)	(156,554)
(Increase) decrease in deposits	11,705	(336,753)
(Increase) decrease in inventory	179,745	(158,394)
Increase (decrease) in accounts payable	63,908	172,349
Increase (decrease) in accrued expenses-related parties	(4,808)	64,025
Increase (decrease) in customer deposits	(40,062)	94,345
	<u>(44,557)</u>	<u>42,660</u>
Net Cash Provided by (Used in) Operating Activities		
	<u>(44,557)</u>	<u>42,660</u>
INVESTING ACTIVITIES		
Purchase of intellectual property		(2,071)
Purchase of property and equipment	(1,475)	(6,632)
	<u>(1,475)</u>	<u>(8,703)</u>
Net Cash Used in Investing Activities		
	<u>(1,475)</u>	<u>(8,703)</u>
FINANCING ACTIVITIES		
Proceeds from note payable	10,000	-
Repayment of note payable	-	(15,000)
	<u>10,000</u>	<u>(15,000)</u>
Net Cash Provided by Financing Activities		
	<u>10,000</u>	<u>(15,000)</u>
NET INCREASE IN CASH	(36,032)	18,957
CASH AT BEGINNING OF PERIOD	46,471	23,442
CASH AT END OF PERIOD	<u>\$ 10,439</u>	<u>\$ 42,399</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
CASH PAID FOR:		
Interest	\$ -	\$ 635
Income Taxes	\$ 800	\$ 800