

## OMNITEK ENGINEERING CORPORATION REPORTS FIRST QUARTER RESULTS

**VISTA, CA — May 15, 2014 — Omnitek Engineering Corporation** (OTCBB: OMTK) today reported results for its first quarter ended March 31, 2014 -- reflecting the impact of timing of customer and component orders and investments related to the expected ramp up of diesel-to-natural gas conversion kit sales in the quarters ahead.

Net revenues for the first quarter were \$320,374 compared with \$349,329 a year earlier. For the same period, the company reported a net loss of \$417,805, or \$0.02 per share, compared with a net loss of \$250,420, or \$0.01 per share, a year ago, primarily due to higher operating expenses and research and development outlays related to the development of engine conversion kits for additional engine models.

Gross margin for the three months ended March 31, 2014 was \$125,323 compared with \$145,244 a year ago. Gross profit for the three-month period as a percentage of sales was 39 percent compared with 42 percent in the same period a year ago, reflecting volume and overhead absorption.

“We expect milestone periods for the company in the quarters ahead, as diesel-to-natural gas conversion fleet sales ramp up in both domestic and foreign markets. Our optimism is supported by a significant year-over-year increase in quote requests from fleet managers, as well as a strong response from the company’s participation at the ACT trade show in Long Beach, CA last week and the anticipated addition of other EPA and state-related engine certifications throughout the year,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corporation.

He noted that kit sales increased in the quarter from the commencement of domestic sales in the preceding fourth quarter. “Fleet managers perform in-field evaluations with a few vehicles in their fleet prior to a broader conversion program commitment, and we look forward to expanding initial sales in the quarters ahead,” Funk said.

“Omnitek’s EPA-approved technology provides a viable alternative to new engine replacement for fleet operators at a significantly lower cost. With more than eight million heavy-duty trucks on the road in the United States and a payback period of one to two years for conversions, Omnitek is well-positioned to capitalize on the domestic abundance of natural gas and its benefits,” Funk said.

He added that local fleet operators with trucks that return to the same depot every night are uniquely positioned to build on-site refueling stations and purchase fuel significantly below the cost charged by retail fuel stations. He highlighted a recently announced pilot program for the city of Little Rock, Arkansas intended to demonstrate the economic benefits and environmental effectiveness of Omnitek’s EPA-approved diesel-to natural gas engine conversion technology for the Navistar DT466E heavy-duty truck engines utilized by the city’s municipal truck fleet. “The city of Little Rock is a model for other municipal governments and private organizations, and built a new natural gas refueling station

(more)

to support its future converted fleet vehicles. This clearly demonstrates the city's enthusiasm for natural gas and the anticipated benefits of its usage," Funk said

At March 31, 2014, the company's total current assets were \$4,027,916 and total current liabilities were \$541,402 -- resulting in positive working capital of \$3,486,514 and a current ratio of 7.44.

#### **About Omnitek Engineering Corporation**

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 CORPORATION**  
**Consolidated Statement of Operations**  
(Unaudited)

	For the Three Months Ended March 31, <u>2014</u>	For the Three Months Ended March 31, <u>2013</u>
REVENUES	\$ 320,374	\$ 349,329
COST OF GOODS SOLD	195,051	204,085
GROSS MARGIN	<u>125,323</u>	<u>145,244</u>
OPERATING EXPENSES		
General and administrative	451,402	352,305
Research and development expense	103,760	50,359
Depreciation and amortization expense	<u>8,187</u>	<u>13,270</u>
Total Operating Expenses	<u>563,349</u>	<u>415,934</u>
LOSS FROM OPERATIONS	<u>(438,026)</u>	<u>(270,690)</u>
OTHER INCOME (EXPENSE)		
Interest expense	-	-
Interest income	<u>21,021</u>	<u>21,070</u>
Total Other Income (Expense)	<u>21,021</u>	<u>21,070</u>
LOSS BEFORE INCOME TAXES	(417,005)	(249,620)
INCOME TAX EXPENSE	<u>800</u>	<u>800</u>
NET LOSS	<u>\$ (417,805)</u>	<u>\$ (250,420)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.02)</u>	<u>\$ (0.01)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>19,759,582</u>	<u>19,749,582</u>

**OMNITEK ENGINEERING CORPORATION**

**Consolidated Balance Sheet**

ASSETS

	March 31, 2014 <u>(unaudited)</u>	December 31, 2013 <u></u>
<b>CURRENT ASSETS</b>		
Cash	\$ 730,820	\$ 1,057,836
Accounts receivable, net	32,833	38,261
Accounts receivable -related party	24,340	33,369
Inventory	2,223,845	2,225,868
Prepaid expense	18,461	21,474
Deposits	87,251	62,973
Short-term investments, net	910,366	917,248
	<u>4,027,916</u>	<u>4,357,029</u>
<b>FIXED ASSETS, net</b>	<u>112,136</u>	<u>118,460</u>
<b>OTHER ASSETS</b>		
Intellectual property, net	2,468	2,872
	<u>2,468</u>	<u>2,872</u>
<b>TOTAL ASSETS</b>	<u>\$ 4,142,520</u>	<u>\$ 4,478,361</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 137,469	\$ 91,744
Accrued compensation - related parties	167,197	189,466
Accounts payable - related parties	2,336	1,475
Customer deposits	234,400	222,072
	<u>541,402</u>	<u>504,757</u>
<b>Total Current Liabilities</b>	<u>541,402</u>	<u>504,757</u>
<b>Total Liabilities</b>	<u>541,402</u>	<u>504,757</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, 125,000,000 shares authorized no par value 19,759,582 and 19,759,582 shares issued and outstanding, respectively	8,201,311	8,201,311
Additional paid-in capital	5,226,955	5,181,636
Accumulated deficit	(9,827,148)	(9,409,343)
	<u>3,601,118</u>	<u>3,973,604</u>
<b>Total Stockholders' Equity</b>	<u>3,601,118</u>	<u>3,973,604</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 4,142,520</u>	<u>\$ 4,478,361</u>