

OMNITEK ENGINEERING CORP. REPORTS FIRST QUARTER RESULTS

--Greenhouse Gas Emissions Policies Expected To Accelerate Large-Scale Diesel-to-Natural Gas Conversions in Quarters Ahead--

VISTA, CA — May 16, 2016 — Omnitek Engineering Corp. (OTCQB: OMTK) today reported results for its first quarter ended March 31, 2016 – reflecting a reduced net loss, an order backlog and continued margin strength.

Revenues for the first quarter were \$339,582 compared with \$450,700 a year earlier, reflecting year-over-year product mix differences and the timing of orders. For the same period, the company reported a reduced net loss of \$196,745, or \$0.01 per share, compared with a net loss of \$237,162, or \$0.01 per share, a year ago.

Gross margin for the three months ended March 31, 2016 was \$167,404 compared with \$199,055 a year ago. Gross profit as a percentage of sales for the three-month period was 49 percent compared with 44 percent in the same period a year ago, reflecting product mix.

“We anticipate accelerating demand and follow-on orders for engine conversion kits and/or converted engines in the quarters ahead, based on the success of several pilot programs and the level of quote requests from fleet customers -- particularly in Mexico, Canada, Europe and Asia. This favorable outlook reflects the company’s strategic ability to capitalize on the continued dramatic shift from domestic to international demand for the company’s products, primarily due to the precipitous drop in oil prices -- though we still expect the domestic market will regain momentum later in the year. At this point, air pollution regulations and the price disparity between diesel and natural gas, mostly as a result of higher taxes on diesel fuel in foreign markets, is generating significant business opportunities for Omnitek in these markets -- contributing to a modest order backlog at March 31, 2016 of approximately \$260,000, which is expected to greatly accelerate throughout the year based on the factors noted above,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corp.

Funk indicated a previously referenced evaluation program for a large domestic fleet customer is proceeding as planned, with expectations for an expanded conversion program for this particular customer and additional opportunities from other fleets committed to reducing their global carbon footprint. As

(more)

previously announced, the engine being developed is the Navistar VT365, as used in class 5 and 6 delivery trucks and school buses.

He noted Omnitek's EPA-approved technology provides a viable alternative to new engine replacements for fleet operators at a significantly lower cost. Omnitek is well-positioned to capitalize on the abundance of low-cost and clean-burning natural gas and its benefits, particularly as oil prices begin to increase and emissions policies address the 200-nation "Paris Agreement on Climate Change" that was recently signed. "CO₂, NO_x and black carbon emissions from diesel engines, potent greenhouse gas (GHG) emissions, are abated when using natural gas; and our technology offers countries around the globe a viable and proven solution," Funk added.

At March 31, 2016, the company's total current assets were \$2,222,309 and total current liabilities were \$660,582 -- resulting in positive working capital of \$1,561,727 and a current ratio of 3.36 to 1.

About Omnitek Engineering Corp.

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)

#

OMNITEK ENGINEERING CORP.
Consolidated Statement of Operations
(Unaudited)

	For the Three Months Ended March 31, <u>2016</u>	For the Three Months Ended March 31, <u>2015</u>
REVENUES	\$ 339,582	\$ 450,700
COST OF GOODS SOLD	<u>172,178</u>	<u>251,645</u>
GROSS MARGIN	167,404	199,055
OPERATING EXPENSES		
General and administrative	312,795	351,052
Research and development	47,407	76,584
Depreciation and amortization	<u>7,487</u>	<u>7,790</u>
Total Operating Expenses	<u>367,689</u>	<u>435,426</u>
LOSS FROM OPERATIONS	<u>(200,285)</u>	<u>(236,371)</u>
OTHER INCOME (EXPENSE)		
Interest expense	(690)	-
Interest income	-	9
Other income	<u>4,230</u>	<u>-</u>
Total Other Income (Expense)	<u>3,540</u>	<u>9</u>
LOSS BEFORE INCOME TAXES	(196,745)	(236,362)
INCOME TAX EXPENSE	<u>-</u>	<u>800</u>
NET LOSS	<u>\$ (196,745)</u>	<u>\$ (237,162)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>19,981,082</u>	<u>19,980,632</u>

OMNITEK ENGINEERING CORP.**Consolidated Balance Sheet**ASSETS

	March 31, 2016 <u>(unaudited)</u>	December 31, 2015 <u></u>
CURRENT ASSETS		
Cash	\$ 38,088	\$ 105,846
Accounts receivable, net	73,338	30,835
Accounts receivable - related parties	22,395	17,257
Inventory, net	2,051,526	2,107,463
Prepaid expense	18,917	6,050
Deposits	18,045	19,745
Total Current Assets	<u>2,222,309</u>	<u>2,287,196</u>
FIXED ASSETS, net	<u>51,851</u>	<u>59,151</u>
OTHER ASSETS		
Intellectual property, net	94	281
Other noncurrent assets	14,280	14,280
Total Other Assets	<u>14,374</u>	<u>14,561</u>
TOTAL ASSETS	<u>\$ 2,288,534</u>	<u>\$ 2,360,908</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 206,276	\$ 145,207
Accrued management compensation	219,740	189,163
Accounts payable - related parties	7,381	7,591
Customer deposits	227,185	230,349
Total Current Liabilities	<u>660,582</u>	<u>572,310</u>
Total Liabilities	<u>660,582</u>	<u>572,310</u>
STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value		
19,981,082 shares issued and outstanding	8,291,411	8,291,411
Additional paid-in capital	11,382,698	11,346,599
Accumulated deficit	<u>(18,046,157)</u>	<u>(17,849,412)</u>
Total Stockholders' Equity	<u>1,627,952</u>	<u>1,788,598</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,288,534</u>	<u>\$ 2,360,908</u>