

OMNITEK ENGINEERING CORPORATION REPORTS SECOND QUARTER RESULTS

-- Revenues Up 28 Percent for Six-Month Period; Diesel-to-Natural Gas Conversions Continue to Increase --

SAN MARCOS, CA — August 15, 2011 — Omnitek Engineering Corporation (OTCQB:OMTK) today reported results for its second quarter ended June 30, 2011 -- reflecting the benefits of increased marketing initiatives for its diesel-to-natural gas conversion systems, particularly in developing overseas markets and sales derived from the company's high-pressure natural gas filter.

Net revenues for the second quarter increased to \$374,490 from \$357,013 a year earlier. For the same period, the company reported a net loss of \$124,808, or \$0.01 per share, compared with a net loss of \$119,792, or \$0.01 per share, a year ago.

Results for the 2011 first quarter reflect the impact of non-cash expenses, including the value of options and warrants granted in the amount of \$57,082 and depreciation and amortization of \$20,849. For the three-month period a year earlier, non-cash expenses for the value of options and warrants granted were \$22,786, with contributed interest of \$5,543, and depreciation and amortization of \$26,142. Excluding these non-cash amounts, the net loss would have been \$67,727 for the three months ended June 30, 2011, and \$97,006 for the three months ended June 30, 2010.

Net revenues for the six-month period climbed 28 percent to \$989,746 from \$774,255 a year ago. For the same period, the company reported a sharply reduced net loss of \$106,697, or \$0.01 per share, compared with a net loss of \$644,127, or \$0.04 per share, a year earlier.

Results for the six-month period reflect the impact of non-cash expenses, including the value of option and warrants granted in the amount of \$126,534, and depreciation and amortization of \$44,241. For the same period a year earlier, non-cash expenses for the value of options and warranted granted were \$410,752, with contributed interest of \$10,791 and depreciation and amortization of \$46,517. Excluding these non-cash amounts, net income would have been \$61,878 for the six months ended June 30, 2011, and a net loss would have been \$176,067 for the six months ended June 30, 2010.

Results for the quarter and six months were also impacted by timing of shipments due to certain customer circumstances that required rescheduling of orders. Notwithstanding the aforementioned, sales for the remainder of the year remain on track and the company expects sales momentum to continue.

Gross margin for the quarter ended June 30, 2011 was \$171,752 compared with \$153,933 a year ago, reflecting increased sales and better component pricing. Gross margin for the quarter as a percentage of sales was 46 percent compared with 43 percent in the same period a year ago.

Gross margin for the six-months ended June 30, 2011 was \$504,375 compared with \$319,922 a year ago, reflecting increased sales and better component pricing. Gross margin for the six-month period as a percentage of sales was 51 percent compared with 41 percent in the same period a year ago.

“Global demand for converting high-polluting diesel powered engines to operate on natural gas continues to benefit from increased crude oil prices and environmental considerations and favorable economics. We anticipate strong sales momentum for the balance of 2011, and look forward to a more favorable domestic regulatory environment to support the significant opportunities for our technology in the United States,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corporation.

He highlighted certain corporate developments completed during the first two quarters that are expected to further bolster growth, the ramp up of diesel-to-biogas engine conversions in the Philippines and the appointment of a master distributor in Indonesia. Subsequent to the end of the second quarter the company established a presence in the Caribbean with the appointment of a master distributor and exclusive installer of conversion kits in Trinidad and Tobago. Last month the company appointed an exclusive marketing agent in Pennsylvania to cultivate market growth and facilitate conversion of heavy-duty trucks in Pennsylvania.

About Omnitek Engineering Corporation

Omnitek Engineering, Corp. develops and sells new natural gas engines, as well as proprietary diesel-to-natural gas conversion systems -- 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 June 30, <u>2011</u>	For the Three Months Ended June 30, <u>2010</u>	For the Six Months Ended June 30, <u>2011</u>	For the Six Months Ended June 30, <u>2010</u>
REVENUES	\$ 374,490	\$ 357,013	\$ 989,746	\$ 774,255
COST OF GOODS SOLD	<u>202,738</u>	<u>203,080</u>	<u>485,368</u>	<u>454,333</u>
GROSS MARGIN	171,752	153,933	504,378	319,922
OPERATING EXPENSES				
General and administrative	243,232	215,506	509,089	837,255
Research and development expense	32,481	29,508	59,946	68,220
Depreciation and amortization expense	<u>20,848</u>	<u>22,786</u>	<u>41,241</u>	<u>46,517</u>
Total Operating Expenses	<u>296,561</u>	<u>267,800</u>	<u>610,276</u>	<u>951,992</u>
INCOME (LOSS) FROM OPERATIONS	<u>(124,809)</u>	<u>(113,868)</u>	<u>(105,898)</u>	<u>(632,070)</u>
OTHER INCOME (EXPENSE)				
Interest expense	-	(7,612)	-	(15,415)
Interest income	<u>1</u>	<u>1,688</u>	<u>1</u>	<u>3,358</u>
Total Other Income (Expense)	<u>1</u>	<u>(5,924)</u>	<u>1</u>	<u>(12,057)</u>
INCOME (LOSS) BEFORE INCOME TAXES	(124,808)	(119,792)	(105,897)	(644,127)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
NET INCOME (LOSS)	<u>\$ (124,808)</u>	<u>\$ (119,792)</u>	<u>\$ (106,697)</u>	<u>\$ (644,927)</u>
BASIC AND DILUTED INCOME (LOSS) PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>16,471,747</u>	<u>16,147,675</u>	<u>16,068,031</u>	<u>16,143,382</u>

OMNITEK ENGINEERING CORPORATION
Consolidated Balance Sheet

ASSETS

	<u>June 30,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
	(unaudited)	(audited)
CURRENT ASSETS		
Cash	\$ 113,717	\$ 34,944
Accounts receivable, net of allowance of \$10,000	19,433	28,117
Accounts receivable -related party	18,357	-
Inventory	1,095,766	1,055,047
Deposits	65,843	73,412
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Total Current Assets	1,313,116	1,191,520
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FIXED ASSETS, net	14,842	-
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OTHER ASSETS		
Intellectual property, net	35,907	76,518
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Total Current Assets	35,907	76,518
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TOTAL ASSETS	<u>\$ 1,363,865</u>	<u>\$ 1,268,038</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 61,920	\$ 136,936
Accrued expenses - related parties	368,388	395,888
Accounts payable - related parties	3,078	4,068
Customer deposits	275,883	333,887
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Total Current Liabilities	709,269	870,779
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Total Liabilities	709,269	870,779
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STOCKHOLDERS' EQUITY		
Common stock, 25,000,000 shares authorized no par value 17,037,812 and 15,659,829 shares issued and outstanding, respectively	2,612,299	2,374,799
Additional paid-in capital	4,131,141	4,004,607
Accumulated deficit	(6,088,844)	(5,982,147)
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Total Stockholders' Equity	654,596	397,259
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,363,865</u>	<u>\$ 1,268,038</u>