

## OMNITEK ENGINEERING CORPORATION REPORTS SECOND QUARTER RESULTS

**VISTA, CA — August 14, 2014 — Omnitek Engineering Corporation (OTCQB: OMTK)** today reported results for its second quarter and six months ended June 30, 2014, reflecting revenue gains and an additional EPA-approved heavy-duty diesel-to natural gas engine conversion kit to support domestic fleet programs.

Net revenues for the second quarter increased 53 percent to \$302,385 from \$197,210 a year earlier, reflecting higher filter sales and engine conversion kit shipments. Prior-year sales were impacted by activities related to the company's relocation to a larger facility. For the same period in 2014, the company reported a net loss of \$459,509, or \$0.02 per share, compared with a net loss of \$369,393, or \$0.02 per share, a year earlier, reflecting higher research and development expenses in 2014 related to EPA approval of the Mack E7 engine in June and other engines in development.

Net revenues for the six-month period were \$622,759 compared with \$546,539 a year ago. For the same period, the company reported a net loss of \$877,314, or \$0.04 per share, compared with a net loss of \$619,814, or \$0.03 per share, a year earlier.

Gross margin for the quarter ended June 30, 2014 was \$105,374 compared with \$53,364 a year ago. Gross margin for the quarter as a percentage of sales was 35 percent compared with 27 percent in the same period a year ago, primarily reflecting sales volume and product mix.

Gross margin for the six-months ended June 30, 2014 was \$230,697 compared with \$198,607 a year earlier. Gross margin for the six-month period as a percentage of sales was 37 percent compared with 36 percent in the same period a year ago, primarily reflecting sales volume and product mix.

“Interest from trucking fleet operators in North America to convert to natural gas has been rapidly increasing, and we are encouraged by the level of quote activity during the quarter, supported by the availability of our EPA-approved conversion kits for the widely operated line of heavy-duty Navistar DT466E and DT530E engines and the 12-liter Mack E7 engine,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corporation.

He emphasized that the cost for a diesel truck engine conversion can be recouped within a one-to-two year period, and even earlier if performed during a regularly scheduled engine overhaul.

Funk noted recent proposed changes that take effect January 1, 2015 to California's AB32 cap and trade regulations. “For the first time, refiners and importers of gasoline and diesel will be required to purchase carbon allowances for the sale of fuels in California, and this will cost a minimum of \$2 billion, or 12 cents per gallon, a year -- according to industry observers. This should further accelerate the

(more)

recoupment of incremental costs associated with diesel-to-natural gas engine conversions, and increase demand for Omnitek's technology," he said.

Funk added that the company's expansion into international markets continues, with a particular focus on markets in South America, Europe, Mexico and China. Orders for a new, previously announced, 6.6 liter engine manufactured by Arizona-based U.R.E. to power Master Road buses in Mexico are ramping up following the resolution of certain regulatory approvals in that country.

Funk noted that the company's pilot project for the Puget Sound Clean Air Agency is proceeding. The project has a goal of meeting 2007 EPA emission standards for particulate emissions by 2017 for all drayage trucks serving the Port's marine container terminals, estimated at more than 2,000 vehicles.

### **About Omnitek Engineering Corporation**

Omnitek Engineering Corp. develops and sells proprietary diesel-to-natural gas engine 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 June 30, <u>2014</u>	For the Three Months Ended June 30, <u>2013</u>	For the Six Months Ended June 30, <u>2014</u>	For the Six Months Ended June 30, <u>2013</u>
REVENUES	\$ 302,385	\$ 197,210	\$ 622,759	\$ 546,539
COST OF GOODS SOLD	<u>197,011</u>	<u>143,846</u>	<u>392,062</u>	<u>347,932</u>
GROSS MARGIN	105,374	53,364	230,697	198,607
OPERATING EXPENSES				
General and administrative	433,083	370,582	877,604	722,874
Research and development expense	135,399	51,777	239,159	102,136
Depreciation and amortization expense	<u>14,834</u>	<u>14,066</u>	<u>29,902</u>	<u>27,336</u>
Total Operating Expenses	<u>583,316</u>	<u>436,425</u>	<u>1,146,665</u>	<u>852,346</u>
LOSS FROM OPERATIONS	<u>(477,942)</u>	<u>(383,061)</u>	<u>(915,968)</u>	<u>(653,739)</u>
OTHER INCOME (EXPENSE)				
Investment income, net	12,921	-	12,921	-
Interest expense	-	-	-	(13)
Interest income	<u>5,512</u>	<u>13,668</u>	<u>26,533</u>	<u>34,738</u>
Total Other Income (Expense)	<u>18,433</u>	<u>13,668</u>	<u>39,454</u>	<u>34,725</u>
LOSS BEFORE INCOME TAXES	(459,509)	(369,393)	(876,514)	(619,014)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
NET LOSS	<u>\$ (459,509)</u>	<u>\$ (369,393)</u>	<u>\$ (877,314)</u>	<u>\$ (619,814)</u>
BASIC AND DILUTED INCOME (LOSS) PER SHARE	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>	<u>\$ (0.03)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>19,762,897</u>	<u>19,749,582</u>	<u>19,762,897</u>	<u>19,749,582</u>

**OMNITEK ENGINEERING CORPORATION**  
**Consolidated Balance Sheet**

ASSETS

	June 30, 2014 (unaudited)	December 31, 2013 (audited)
<b>CURRENT ASSETS</b>		
Cash	\$ 265,660	\$ 1,057,836
Accounts receivable, net	68,166	38,261
Accounts receivable - related parties	16,780	33,369
Inventory	2,419,886	2,225,868
Prepaid expense	6,746	21,474
Deposits	155,434	62,973
Short-term investments, net	803,715	917,248
	<b>3,736,387</b>	<b>4,357,029</b>
<b>FIXED ASSETS, net</b>	<b>104,329</b>	<b>118,460</b>
<b>OTHER ASSETS</b>		
Intellectual property, net	2,092	2,872
	<b>2,092</b>	<b>2,872</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,842,808</b>	<b>\$ 4,478,361</b>

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 214,774	\$ 91,744
Accrued management compensation	141,216	189,466
Accounts payable - related parties	4,013	1,475
Customer deposits	281,774	222,072
	<b>641,777</b>	<b>504,757</b>
<b>Total Current Liabilities</b>	<b>641,777</b>	<b>504,757</b>
<b>Total Liabilities</b>	<b>641,777</b>	<b>504,757</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, 125,000,000 shares authorized no par value 19,779,582 and 19,759,582 shares issued and outstanding, respectively	8,214,911	8,201,311
Additional paid-in capital	5,272,777	5,181,636
Accumulated deficit	(10,286,657)	(9,409,343)
	<b>3,201,031</b>	<b>3,973,604</b>
<b>Total Stockholders' Equity</b>	<b>3,201,031</b>	<b>3,973,604</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 3,842,808</b>	<b>\$ 4,478,361</b>