

**OMNITEK ENGINEERING REPORTS SECOND QUARTER
AND SIX-MONTH RESULTS**

**-- Current Diesel-to-Natural Gas Engine Conversion Demonstration Programs Expected to
Drive Sales Momentum in Second Half --**

VISTA, CA — August 11, 2017 — Omnitek Engineering Corp. (OTCQB: OMTK) today reported results for its second quarter and six months ended June 30, 2017 – reflecting a sharply reduced net loss for both periods, an improved cash position and the commencement of a previously announced grant program to develop an 18-liter off-road natural gas engine.

Net revenues for the second quarter were \$246,314 compared with \$252,316 a year earlier. For the same period, the company reported a net loss of \$191,589, or \$0.01 per share, compared with a net loss of \$292,939, or \$0.01 per share, a year earlier.

Results for the three months ended June 30, 2017 reflect the impact of non-cash expenses, including the value of options and warrants granted in the amount of \$25,200 and depreciation and amortization of \$6,224. For the three-month period a year earlier, non-cash expenses for the value of options and warrants granted were \$81,969, with depreciation and amortization of \$6,976.

Net revenues for the six-month period were \$537,968 compared with \$591,899 a year ago. For the same period, the company reported a net loss of \$400,630, or \$0.02 per share, compared with a net loss of \$489,683, or \$0.02 per share, a year earlier.

Results for the six months ended June 30, 2017 reflect the impact of non-cash expenses, including the value of options and warrants granted in the amount of \$94,733 and depreciation and amortization of \$12,448. For the six-month period a year earlier, non-cash expenses for the value of options and warrants granted were \$118,068 and depreciation and amortization of \$14,463.

Gross margin as a percentage of revenues was 41 percent for both the quarter ended June 30, 2017 and the quarter ended June 30, 2016. Gross margin as a percentage of revenues for the six months ended June 30, 2017 was 45 percent compared with 46 percent a year earlier.

“During the quarter, we completed the development phase of a key conversion program of the Navistar VT365 for a large domestic fleet customer. The feedback from the customer during its evaluation phase has been positive and we remain optimistic that the program will be expanded. The

(more)

level of quote requests from other potential fleet customers -- particularly in Mexico, Canada, Europe and China -- continues to gain momentum and we remain focused on ramping up fleet conversions on a large scale to address global government mandates to improve air quality,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corp.

Additional Second Quarter Highlights, include:

- Increased filter sales as an OE supplier to TATA, India, to support expanding utilization of alternative fuel vehicles to address new stringent clean air policies in India
- The commencement late in the quarter of a previously announced California Energy Commission grant program to demonstrate clean natural gas engine technology for off-road heavy-duty construction vehicle applications
- Expansion of engine development work for an existing European customer, as well as engagement for development of a EURO VI 12-liter heavy-duty LPG (Propane) engine for bus and truck applications
- An increased cash position
- A year-to-date order backlog of approximately \$369,000.

At June 30, 2017, current liabilities totaled \$1,051,047 and current assets totaled \$2,092,927, resulting in positive working capital of \$1,041,880 million and a current ratio of 1.99 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.
Condensed Statements of Operations (unaudited)

	For the Three Months Ended June 30 <u>2017</u>	For the Three Months Ended June 30 <u>2016</u>	For the Six Months Ended June 30 <u>2017</u>	For the Six Months Ended June 30 <u>2016</u>
REVENUES	\$ 246,314	\$ 252,316	\$ 537,968	\$ 591,899
COST OF GOODS SOLD	<u>145,794</u>	<u>148,316</u>	<u>298,407</u>	<u>320,493</u>
GROSS MARGIN	100,520	104,000	239,561	271,406
OPERATING EXPENSES				
General and administrative	249,017	341,461	549,139	654,257
Research and development	33,805	46,897	73,689	94,303
Depreciation and amortization	<u>6,224</u>	<u>6,976</u>	<u>12,448</u>	<u>14,463</u>
Total Operating Expenses	<u>289,046</u>	<u>395,334</u>	<u>635,276</u>	<u>763,023</u>
LOSS FROM OPERATIONS	<u>(188,526)</u>	<u>(291,334)</u>	<u>(395,715)</u>	<u>(491,617)</u>
OTHER INCOME (EXPENSE)				
Other income	-	1,144	-	5,374
Interest expense	(2,263)	(1,949)	(4,115)	(2,640)
Interest income	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Income (Expense)	<u>(2,263)</u>	<u>(805)</u>	<u>(4,115)</u>	<u>2,734</u>
LOSS BEFORE INCOME TAXES	(190,789)	(292,139)	(399,830)	(488,883)
INCOME TAX EXPENSE	<u>800</u>	<u>800</u>	<u>800</u>	<u>800</u>
NET LOSS	<u>\$ (191,589)</u>	<u>\$ (292,939)</u>	<u>\$ (400,630)</u>	<u>\$ (489,683)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING BASIC AND DILUTED				
	<u>20,281,082</u>	<u>20,030,533</u>	<u>20,281,082</u>	<u>20,005,807</u>

OMNITEK ENGINEERING CORP.

Condensed Balance Sheet

ASSETS

	June 30, 2017 <u>(unaudited)</u>	December 31, 2016 <u></u>
CURRENT ASSETS		
Cash	\$ 96,973	\$ 17,782
Accounts receivable, net	76,227	28,159
Accounts receivable - related parties	7,513	7,005
Inventory, net	1,876,470	1,869,900
Prepaid expense	-	5,324
Costs and estimated earnings in excess of billings	-	30,973
Deposits	35,744	21,716
	<u>2,092,927</u>	<u>1,980,859</u>
FIXED ASSETS, net	<u>19,391</u>	<u>31,839</u>
OTHER ASSETS		
Other noncurrent assets	<u>14,280</u>	<u>14,280</u>
Total Other Assets	<u>14,280</u>	<u>14,280</u>
TOTAL ASSETS	<u>\$ 2,126,598</u>	<u>\$ 2,026,978</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 345,697	\$ 325,255
Accrued management compensation	399,154	314,788
Accounts payable - related parties	56,702	18,373
Billings in excess of costs and estimated earnings	5,998	-
Customer deposits	243,496	87,114
	<u>1,051,047</u>	<u>745,530</u>
Total Current Liabilities	<u>1,051,047</u>	<u>745,530</u>
Total Liabilities	<u>1,051,047</u>	<u>745,530</u>
STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value		
20,231,082 and 19,981,082 shares issued and outstanding	8,411,411	8,411,411
Additional paid-in capital	11,815,574	11,620,841
Accumulated deficit	<u>(19,151,434)</u>	<u>(18,750,804)</u>
Total Stockholders' Equity	<u>1,075,551</u>	<u>1,281,448</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,126,598</u>	<u>\$ 2,026,978</u>