

OMNITEK ENGINEERING CORP. REPORTS 2016 RESULTS

-- Sales Expected to Gain Momentum in 2017 as Delayed Customer Projects Ramp --

VISTA, CA — March 31, 2017 — Omnitek Engineering Corp. (OTCQB: OMTK) today reported results for its fourth quarter and year ended December 31, 2016.

Revenues for the fourth quarter ended December 31, 2016 were \$361,152 compared with \$313,493 a year earlier.

For the same period, the company reported a net loss of \$193,800, or \$0.01 per share, compared with \$329,696, or \$0.02 per share, a year ago.

Gross margin for the quarter was \$106,539 compared with \$47,148 a year earlier.

Revenues for the full year were \$1.3 million compared with \$1.8 million a year earlier -- reflecting lower-than-expected shipments because of customer project delays due to various global dynamics influencing the decision to expand fleet utilization of natural gas.

The company reported a decreased net loss for the full year of \$901,392 or \$0.04 per share, compared with a net loss of \$1.0 million, or \$0.05 per share, a year earlier -- primarily reflecting a reduction in general and administrative expenses and research and development expenditures.

Gross margin for the full year was \$532,101 compared with \$761,144 a year earlier. Gross margin as a percentage of sales was 41 percent compared with 42 percent in the same period a year ago.

Results for the twelve months ended December 31, 2016 reflect non-cash expenses, including the value of options and warrants granted in the amount of \$174,242 and depreciation and amortization of \$27,593. For the twelve months ended December 31, 2015, non-cash expenses included the value of options and warrants granted for \$225,097 and depreciation and amortization of \$30,628.

“During the past year, we continued to see a shift from domestic to international interest in engine conversions, primarily due to the precipitous drop in oil prices. Unfortunately, these global factors delayed several conversion projects that we had expected to ramp up in 2016. Air pollution regulations and the price disparity between diesel and natural gas, mostly because of higher taxes on diesel fuel, are still important catalysts for Omnitek in certain foreign markets -- particularly in Mexico, Europe and Asia. The company recorded a modest order backlog at December 31, 2016 of approximately \$256,000,

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with expectations that this will increase as demand for engine conversion kits and/or converted engines in export markets gains momentum as delayed evaluation programs are completed and sizable orders are placed,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corp.

Funk added that the 200-nation “Paris Agreement on Climate Change” signed last year is still expected to further accelerate demand for Omnitek’s technology and generate additional interest for natural gas in both foreign and domestic markets -- especially since the fine-particles (PM2.5) and black carbon emissions from diesel engines and potent greenhouse gas (GHG) emissions are abated when using natural gas.

Separately, the company said it will be participating in the upcoming AltFuels Mexico 2017 conference in Mexico City scheduled for April 4 - 7, 2017 in cooperation with its strategic alliance partner LKQ, which operates Vege Motodis, S.A. de C.V. in Monterrey. The alliance is focused on offering *as-new* natural gas converted engines utilizing Omnitek’s technology to accelerate the transition of diesel fleets in Mexico to natural gas. Werner Funk will be available to meet with customers at the Vege Motodis booth. “Mexico is an important market for Omnitek, particularly given the government’s commitment to banning all diesel trucks and buses in Mexico City by 2025. This is one of several catalysts we expect to ramp sales in the region, and we anticipate that several demo projects will move to production soon,” Funk said.

Funk added the company’s evaluation program for a large domestic fleet customer, which was expected to have been completed last year, is now nearing the final phase. “We remain optimistic that conversion programs will expand in the United States in 2017, and there will be further opportunities created by fleets committed to reducing their global carbon footprint,” Funk said.

At December 31, 2016, current liabilities totaled \$745,530 and current assets totaled \$2.0 million, resulting in positive working capital of approximately \$1.2 million and a current ratio of 2.7 to 1.

As recently announced, Omnitek will participate in a \$1.5 million grant study with its partner Olson-Ecologic Testing Laboratories, based in Fullerton, CA, to demonstrate its clean natural gas engine technology for off-road heavy duty construction vehicle applications in the greater Los Angeles area – specifically the development of an 18-liter Caterpillar natural gas engine capable of operating on CNG, LNG or low-carbon intensive renewable biogas (R-CNG).

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)

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OMNITEK ENGINEERING CORP.
Statement of Operations

	For the Three Months Ended December 31 <u>2016</u>	For the Three Months Ended December 31 <u>2015</u>	For the Year Ended December 31 <u>2016</u>	For the Year Ended December 31 <u>2015</u>
REVENUES	\$ 361,152	\$ 313,493	\$ 1,308,100	\$ 1,793,556
COST OF GOODS SOLD	<u>254,613</u>	<u>266,345</u>	<u>775,999</u>	<u>1,032,412</u>
GROSS MARGIN	106,539	47,148	532,101	761,144
OPERATING EXPENSES				
General and administrative	256,604	310,852	1,217,396	1,443,951
Research and development expense	35,404	56,989	187,109	295,190
Depreciation and amortization expense	<u>6,512</u>	<u>7,578</u>	<u>27,593</u>	<u>30,628</u>
Total Operating Expenses	<u>298,520</u>	<u>375,419</u>	<u>1,432,098</u>	<u>1,769,769</u>
LOSS FROM OPERATIONS	<u>(191,981)</u>	<u>(328,271)</u>	<u>(899,997)</u>	<u>(1,008,625)</u>
OTHER INCOME (EXPENSE)				
Other income	-	275	5,574	4,209
Interest expense	(1,819)	(1,703)	(6,170)	(1,915)
Interest income	<u>-</u>	<u>3</u>	<u>1</u>	<u>24</u>
Total Other Income (Expense)	<u>(1,819)</u>	<u>(1,425)</u>	<u>(595)</u>	<u>2,318</u>
LOSS BEFORE INCOME TAXES	(193,800)	(329,696)	(900,592)	(1,006,307)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
NET LOSS	<u>\$ (193,800)</u>	<u>\$ (329,696)</u>	<u>\$ (901,392)</u>	<u>\$ (1,007,107)</u>
BASIC AND DILUTED LOSS PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.02)</u>	<u>\$ (0.04)</u>	<u>\$ (0.05)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES BASIC AND DILUTED	<u>20,281,082</u>	<u>19,980,971</u>	<u>20,142,284</u>	<u>19,980,971</u>

OMNITEK ENGINEERING CORP.**Balance Sheet**

	<u>ASSETS</u>	
	December 31, 2016	December 31, 2015
CURRENT ASSETS		
Cash	\$ 17,782	\$ 105,846
Accounts receivable, net	28,159	30,835
Accounts receivable - related parties	7,005	17,257
Inventory, net	1,869,900	2,107,463
Prepaid expense	5,324	6,050
Cost in excess of billings	30,973	-
Deposits	21,716	19,745
Total Current Assets	<u>1,980,859</u>	<u>2,287,196</u>
FIXED ASSETS, net	<u>31,839</u>	<u>59,151</u>
OTHER ASSETS		
Intellectual property, net	-	281
Other noncurrent assets	14,280	14,280
Total Other Assets	<u>14,280</u>	<u>14,561</u>
TOTAL ASSETS	<u>\$ 2,026,978</u>	<u>\$ 2,360,908</u>
	<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>	
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 325,255	\$ 145,207
Accrued management compensation	314,788	189,163
Accounts payable - related parties	18,373	7,591
Customer deposits	87,114	230,349
Total Current Liabilities	<u>745,530</u>	<u>572,310</u>
Total Liabilities	<u>745,530</u>	<u>572,310</u>
STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value 20,281,082 and 19,981,082 shares issued and outstanding, respectively	8,411,411	8,291,411
Additional paid-in capital	11,620,841	11,346,599
Accumulated deficit	<u>(18,750,804)</u>	<u>(17,849,412)</u>
Total Stockholders' Equity	<u>1,281,448</u>	<u>1,788,598</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 2,026,978</u>	<u>\$ 2,360,908</u>