

## **OMNITEK ENGINEERING CORPORATION REPORTS FIRST QUARTER RESULTS**

**--Backlog Up; Strong Demand for Diesel Engine Conversions to Natural Gas Continues --**

### **SAN MARCOS, CA — May 15, 2012 — Omnitek Engineering Corporation**

(OTCBB: OMTK) today reported results for its first quarter ended March 31, 2012 -- reflecting the impact of customer and component order timing, as well as the benefits of a strong backlog to support the company's growth expectations for 2012.

Net revenues for the fiscal first quarter were \$306,369 compared with \$615,256 a year earlier, which benefitted from a 2010 fourth quarter backlog. The company expects its 2012 second quarter will be favorably impacted from its current backlog. For the first quarter of 2012, the company reported a net loss of \$163,325 or \$0.01 per share, compared with net income of \$18,911, \$0.00 per share, a year ago.

Gross profit for the three months ended March 31, 2012 was \$105,757 compared with \$332,626 a year ago, due primarily to the timing of sales as noted above. Gross profit for the three-month period as a percentage of sales was 35 percent compared with 54 percent in the same period a year ago, reflecting volume and product mix of shipped orders during the quarter 2012 first quarter.

"Notwithstanding softness in sales for the quarter and the impact of timing, global demand for converting high-polluting diesel powered engines to operate on natural gas continues to gain momentum. In addition, the pent-up demand for heavy-duty truck engine conversions in the U.S. market, enhanced by a more favorable regulatory environment, provides significant growth opportunities for the company," said Werner Funk, president and chief executive officer of Omnitek Engineering Corporation.

Funk noted the previously announced financing, completed subsequent to the end of first quarter, will support the company's strategy to accelerate the build out of a national network of diesel-to-natural-gas conversion facilities.

He highlighted the value-proposition for fleet truck operators in terms of converting diesel engines to operate on natural engines. "During the 20-year life span of diesel engines, routine overhauls are required and service budgets established in advance. By converting these diesel engines to operate on natural gas during a routine service overhaul, we are able to offer truck operators a compelling return on investment with much lower fuel costs and cleaner combustion. This is clearly an attractive consideration given the cost to purchase a new natural gas truck engine and the large "carbon-footprint" as a consequence of manufacturing a new engine," Funk said.

"Compressed natural gas provides significant advantages over diesel fuel -- including reduced emissions, plentiful supplies and favorable economics. Equally significant, there are an estimated 8.0 million heavy duty vehicles operating in the United States that could benefit from conversion to natural gas," Funk added.

## **About Omnitek Engineering Corporation**

Omnitek Engineering Corp. develops and sells new natural gas engines, as well as proprietary diesel-to-natural gas conversion systems and complementary products -- 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 Income**  
(Unaudited)

	For the Three Months Ended March 31, 2012	For the Three Months Ended March 31, 2011
REVENUES	\$ 306,369	\$ 615,256
COST OF GOODS SOLD	200,612	282,630
GROSS MARGIN	105,757	332,626
 OPERATING EXPENSES		
General and administrative	237,323	265,857
Research and development expense	28,894	27,465
Depreciation and amortization expense	1,457	20,393
Total Operating Expenses	267,674	313,715
INCOME (LOSS) FROM OPERATIONS	(161,917)	18,911
 OTHER INCOME (EXPENSE)		
Interest expense	(408)	-
Interest income	-	-
TOTAL OTHER INCOME (EXPENSE)	(408)	-
NET INCOME (LOSS) BEFORE INCOME TAXES	(162,325)	18,911
INCOME TAX EXPENSE (BENEFIT)	(800)	(800)
NET INCOME (LOSS)	\$ (163,125)	\$ 18,111
 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE		
	\$ (0.01)	\$ 0.00
 WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
	17,196,734	15,659,829

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

	March 31, 2012	December 31, 2011
	(unaudited)	(audited)
<b>CURRENT ASSETS</b>		
Cash	\$ 47,934	\$ 31,196
Accounts receivable, net allowance of \$10,000	55,807	13,506
Accounts receivable – related party	-	16,715
Inventory	961,591	1,020,117
Prepaid expense	1,675	2,512
Deposits	85,193	41,943
 Total Current Assets	 <u>1,152,200</u>	 <u>1,125,989</u>
 FIXED ASSETS, net	 <u>12,551</u>	 <u>13,429</u>
<b>OTHER ASSETS</b>		
Intellectual property, net	7,497	8,256
 Total Current Assets	 7,497	 8,256
 TOTAL ASSETS	 <u><u>\$ 1,172,248</u></u>	 <u><u>\$ 1,147,494</u></u>

LIABILITIES AND STOCKHOLDERS' EQUITY

<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 130,619	\$ 57,828
Accrued expenses - related parties	347,470	351,580
Accounts payable - related parties	13,332	2,568
Notes Payable	40,000	-
Customer deposits	319,592	286,608
 Total Current Liabilities	 851,013	 698,584
 Total Liabilities	 <u>851,013</u>	 <u>698,584</u>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, 25,000,000 shares authorized no par value		
17,247,336 shares issued and outstanding	2,679,299	2,659,299
Additional paid-in capital	4,228,763	4,213,313
Accumulated deficit	(6,586,827)	(6,423,702)
 Total Stockholders' Equity	 <u>321,235</u>	 <u>448,910</u>
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	 <u><u>\$ 1,172,248</u></u>	 <u><u>\$ 1,147,494</u></u>