

NEWS RELEASE

OMNITEK ENGINEERING CORPORATION REPORTS THIRD QUARTER RESULTS

-- Global Demand for Diesel-to-Natural Gas Engine Conversions Strong; Domestic Market Kit Certification Near --

SAN MARCOS, CA — November 5, 2012 — Omnitek Engineering Corporation

(OTCBB: OMTK) today reported results for its third quarter ended September 30, 2012, highlighted by a reduced net loss, an improved balance sheet, growing international sales and expected near-term certification of the company's domestic diesel-to-natural gas conversion kits.

Revenues for the third quarter increased 77.3 percent to \$562,367 from \$317,160 a year ago. The company reported a reduced net loss of \$142,150, or \$0.01 per share, compared with a net loss of \$179,475, or \$0.01 per share, a year ago.

Revenues for the nine-month period were \$1.2 million compared with \$1.3 million a year ago. The year-ago period benefited from the timing of shipments related to specific customer circumstances that required rescheduling of orders to the first quarter of 2011 from the fourth quarter of 2010. The company reported a net loss of \$1.3 million, or \$0.07 per share, for the 2012 nine-month period compared with a net loss of \$286,172, or \$0.02 per share, a year earlier, primarily reflecting the impact of higher general and administrative expenses associated with the company's private placement which closed in the second quarter and increased research and development costs related to its domestic diesel-to-natural gas conversion kits.

The 2012 nine-month period was impacted by a one-time cash expense of \$413,306 associated with the company's private placement, as noted above, and non-cash expenses, including the value of options and warrants of \$626,915, as well as higher professional fees related to the private placement.

Excluding these one-time cash expenses and non-cash amounts, net loss would have been \$259,960, or \$0.02 per share, for the nine months ended September 30, 2012 and \$39,533, or \$0.01 per share, for the nine months ended September 30, 2011.

Gross margin for the third quarter was \$280,734 compared with \$148,523 a year ago. Gross margin as a percentage of sales for the same period was 50 percent compared with 47 percent in the 2011 third quarter.

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Gross margin for the nine months was \$617,573 compared with \$652,901 a year earlier. Gross margin as a percentage of sales for the same period was 49 percent compared with 50 percent a year ago, reflecting sales volume and product mix.

“Results for the quarter reflect solid international growth -- including component sales to OE customers, high-pressure filter sales to Tata Motors and conversion kit sales to customers in China. In anticipation of receiving Environmental Protection Agency approval for our diesel-to-natural gas engine conversion kits for the domestic market, we are continuing to focus on appointing dealers and authorized installers across the country. These partnerships, such as the appointment of CNG One Source of New York announced in September, are intended to support the anticipated strong demand from fleet operators of heavy-duty trucks interested in the economic benefits of utilizing the significant domestic natural gas resources across the United States,” said Werner Funk, president and chief executive officer of Omnitek Engineering Corporation.

“With more than eight million heavy-duty trucks on the road, the U.S. market represents a significant opportunity for our technology, which offers a projected return on investment between one and two years. This is a significant advantage compared with a projected return on investment of five to seven years for a new natural gas truck purchase,” Funk said.

At September 30, 2012, current liabilities totaled \$604,776 and current assets totaled \$4.7 million, resulting in positive working capital of approximately \$4.0 million and a current ratio of 8 to 1 for the nine-month period. The company’s total assets at September 30, 2012 were \$5.9 million.

About Omnitek Engineering Corporation

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 CORPORATION
Condensed Statement of Income

	For the Three Months Ended September 30, <u>2012</u>	For the Three Months Ended September 30, <u>2011</u>	For the Nine Months Ended September 30, <u>2012</u>	For the Nine Months Ended September 30, <u>2011</u>
REVENUES	\$ 562,367	\$ 317,160	\$ 1,249,267	\$ 1,306,906
COST OF GOODS SOLD	<u>281,633</u>	<u>168,637</u>	<u>631,694</u>	<u>654,005</u>
GROSS MARGIN	280,734	148,523	617,573	652,901
OPERATING EXPENSES				
General and administrative	353,438	265,999	1,789,028	775,088
Research and development expense	88,922	40,845	166,070	100,791
Depreciation and amortization expense	<u>1,606</u>	<u>21,155</u>	<u>4,596</u>	<u>62,396</u>
Total Operating Expenses	<u>443,966</u>	<u>327,999</u>	<u>1,959,694</u>	<u>938,275</u>
LOSS FROM OPERATIONS	<u>(163,232)</u>	<u>(179,476)</u>	<u>(1,342,121)</u>	<u>(285,374)</u>
OTHER INCOME (EXPENSE)				
Interest expense	-	-	(490)	-
Interest income	<u>21,082</u>	<u>1</u>	<u>22,256</u>	<u>2</u>
TOTAL OTHER INCOME (EXPENSE)	<u>21,082</u>	<u>1</u>	<u>21,766</u>	<u>2</u>
LOSS BEFORE INCOME TAXES	(142,150)	(179,475)	(1,320,355)	(285,372)
INCOME TAX EXPENSE	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
NET INCOME (LOSS)	<u>\$ (142,150)</u>	<u>\$ (179,475)</u>	<u>\$ (1,321,155)</u>	<u>\$ (286,172)</u>
BASIC INCOME (LOSS) PER SHARE	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>	<u>\$ (0.07)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	<u>19,749,582</u>	<u>17,055,203</u>	<u>18,872,509</u>	<u>16,290,048</u>

OMNITEK ENGINEERING CORPORATION
Condensed Balance Sheet

ASSETS

	<u>September 30,</u> 2012	<u>September 30,</u> 2011
CURRENT ASSETS		
Cash	\$ 3,240,057	\$ 31,196
Accounts receivable, net	218,065	13,506
Accounts receivable -related party	30,876	16,715
Inventory	912,384	1,020,117
Prepaid expense	10,628	2,512
Deposits	251,036	41,943
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Total Current Assets	4,663,046	1,125,989
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FIXED ASSETS, net	15,338	13,249
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OTHER ASSETS		
Long-term investments, net	1,211,845	-
Intellectual property, net	5,979	8,256
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Total Other Assets	1,217,824	76,518
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TOTAL ASSETS	<u>\$ 5,896,208</u>	<u>\$ 1,147,494</u>

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 70,411	\$ 57,828
Accrued expenses - related parties	277,343	351,580
Accounts payable - related parties	25	2,568
Customer deposits	256,997	286,608
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Total Current Liabilities	604,776	698,584
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Total Liabilities	604,776	698,584
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STOCKHOLDERS' EQUITY		
Common stock, 125,000,000 shares authorized no par value 19,749,582 and 17,137,812 shares issued and outstanding, respectively	8,196,061	2,659,299
Additional paid-in capital	4,840,228	4,213,313
Accumulated deficit	(7,744,857)	(6,423,702)
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Total Stockholders' Equity	5,291,432	448,910
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TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 5,896,208</u>	<u>\$ 1,147,494</u>